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## THE FRONT PAGE

CANADIANS who attended a political meeting in St. Roch, Quebec, last week were invited to sign forms declaring themselves as "engaging to belong to the National Guard of Grey Shirts organized to safeguard the rights of the people." These particular forms were in French, and we fancy that the National Guard of Grey Shirts is predominantly a French-Canadian society; but there has been no lack of similar invitations in English extended to English-speaking Canadians in recent months. Our advice to all our Canadian readers, of whatever racial origin, is to abstain from putting their signatures to any membership pledge of any society, shirted or shirtless, national or international, grey, blue, red or yellow, until they know all that it is important to know about the principles on which it operates and, much more important yet, the character of the men who are leading it, and are quite convinced that its methods and objectives are entirely consonant with the democratic principles and the liberal constitution of this fair Dominion. Lacking that precaution they may always find themselves in more or less trouble. It is not safe to assume that if the society were not lawful and constitutional the police would have suppressed it. There are so many new societies now-a-days, and the objectives of many of them are so queer, that the police cannot be expected to understand all about all of them. And naturally they have to understand a good deal about a society before undertaking to suppress it; that is one of the conditions upon which we enjoy the right of freedom of association.

The present objectives of the Grey Shirts of St. Roch may, for all that we know, be the most legitimate and proper in the world. They may be organizing with the sole and sacred purpose of combatting an outrageous tyranny; and as we have on several occasions suggested, there are some evidences of a certain degree of tyranny in Quebec which needs combatting. But their method is dangerous, and almost invariably leads to the setting up of a tyranny firmer and harder to upset than the one before. We have got along in this country so far without grey shirts, black shirts, green shirts, red shirts or night-shirts (for processional wear), because we have governed it by means of votes. To resort to shirts merely means that we have despaired of governing it decently by votes any longer.

## JOBBERY IN THE WPA

A GOOD deal of play is being made by American periodicals and politicians unfriendly to the President, about the alleged control of Communistic groups of the local organizations for the carrying out of relief projects under WPA and similar federally-financed authorities. We doubt if there is much danger of the Communists making any appreciable progress by this means, for it is certainly not the intention of the superior officers of these authorities, or of most of the local officers, that they should benefit the political aspirations of any but "regular" Democrats; but it is perhaps useful that the Communist bogey should be raised, if it serves the purpose of drawing attention to the appalling possibilities of political patronage which are inherent in the whole scheme of vast governmental expenditure for the provision of employment. Americans can be brought to a state of excitement about the idea of this patronage being beneficial to the Communists, when the far more dangerous prospect of its being used to buy millions of votes for the Democrats would leave them entirely unmoved. They are highly tolerant of political evils to which they are accustomed, but easily frightened about possible new ones.

## MR. ROOSEVELT'S FUTURE

MR. ROOSEVELT, there is reason to fear, is in this respect a highly typical American. He seems to be entirely free from any worry about the building up of a vast patronage machine, so long as its political benefits will inure to his own party. The more his character is brought out into the light by the responsibilities of great power, the more it proves to resemble that of Mr. Lloyd George in its startling combination of dexterous popular appeal and elastic resourcefulness with the most cynical and realistic concentration on the building of effective political machinery. We have hitherto been inclined to suppose that the practical-politician aspect of the Roosevelt policies might be the contribution of Mr. Farley rather than of the President himself, and that Mr. Farley's importance might diminish during a second term of the Presidency. But the machinery now under construction looks as if it might endure far beyond the 1936 and 1938 elections; and we suspect that when Mr. Roosevelt can no longer use it for his own re-election he will continue to foster and strengthen it in order to impose his will upon the United States, through another President, long after 1940.

## THE "AMERICAN PRICE"

THE pleasant-sounding doctrine of the "American price" for everything that Americans produce, a price kept free from all lowering influences of foreign "cheap labor" and foreign technical skill and foreign mass production by means of a very high tariff, will apparently be the chief Republican plank in this year's elections. In order to make such an "American price" effective for industries which produce an exportable surplus and which cannot yet be organized in trusts (chiefly the agricultural industries and especially cotton), the tariff must obviously be supplemented by other measures. The



"WORKMATES", a camera study by C. M. Johnston, Ottawa. This photograph has been exhibited at many salons in the United States, Great Britain and on the Continent, as well as at the first International Salon in Ottawa.

Democrats have also aimed at maintaining a better, if not a wholly American, price for agricultural products, by restricting production in various ways of which the Supreme Court has usually disapproved. The Republicans seem likely to take the line that this is a wrong and ineffective means of aiding agriculture, and that the proper way is to bonus the exported surplus by whatever amount is necessary to bridge the gap between the world price and the desired "American price".

Such a policy is of course completely reckless of the effect produced in other countries; but recklessness of international considerations has never been considered a detriment to American fiscal or financial practices. Under such a policy the United States would be infinitely more of a public nuisance to the world price level than the Soviet Union; for the latter at least does not force its exports on the world except when it wants imports, and the United States would be forcing out exports regardless of price without accepting imports of anything except coffee and rubber—and of course gold.

## TOWARD REGIONAL PACTS?

NOW that the reconstruction of the League of Nations is the outstanding problem of international affairs there is a strong cleavage of opinion between those who feel that any new international body, to be useful, must involve its members in greater and more definite commitments than the League, and those who feel that the commitments of the League were themselves more heavy than most

of the peoples of the world would have been willing to accept if they had understood what they were being pledged to. Canada is a rather interesting case in point in support of the latter theory. We do not think that the full implications of the Covenant of the League were ever realized by the Canadian people, whether they were or were not realized by their rulers, until they were confronted with the situation arising out of the Italo-Ethiopian conflict and had to admit to themselves that the use of effective sanctions might easily be the same thing as declaring war. Now that we do realize how great the commitments of the Covenant were, it is not unnatural that the minds of some of us should turn to a possible new type of agreement with lesser commitments which might be more reliable in practice.

All the same, the idea of a League with lesser commitments as regards the world at large inevitably involves the idea of regional pacts with stronger commitments to apply in special areas only. Lord Lothian, in a very able letter to the *London Times*, proposes to eliminate from the Covenant any obligation to go to war all over the world. He wants the League preserved or revived as the universal instrument for international conciliation and co-operation, and even for joint pressure upon recalcitrants when there is sufficient agreement among the members. But he goes on to say: "The next thing is to settle down to organize security on a regional basis." And this, as he further says, raises at once the question whether it is better for Great Britain to form part of the European regional system or to resume a

(Continued on Page Three)

## THE PASSING SHOW

BY HAL FRANK

AN ENGLISH scientist has discovered a ray that makes things invisible. Its supreme test will come when it is turned on a government deficit.

In the old days people used to put their faith in God. Now they put it in an Irish Sweepstakes ticket.

Municipalities are out to fight the establishment of nudist colonies in their environs. They take the attitude that no nudes are good nudes.

Churches are said to be striving to adapt themselves to modern conditions but we have yet to hear of one that has installed an indoor golf course.

We're afraid that the Ontario Jockey Club won't get very far in its campaign to wipe out bookmakers. For of the making of bookies there is no end, either.

With the advent of proper sanatoria, the village idiot is becoming an extinct phenomenon. Magazine article. And it's really a less costly method than electing him to Parliament.

And to think that the phrase, "physician, heal thyself", was coined before the days of psychiatrists.

Films are getting better and better.—Hollywood item. Or it may be that our taste is getting worse and worse.

What has become of the old wooden Indians? Magazine article. You'll find most of them in charge of Complaint Departments.

An exhibition of miniature handicraft was held in England recently but we failed to learn whether any feminine bathing-suits were included in the exhibit.

And then there is the story of the conservative art-lover who went to see the Group of Seven show wearing smoked glasses.

Esther says she hopes there won't be a world war this summer as she wants to concentrate on getting a good sun tan.

## BIG GAME HUNTER

BY JAMES O'BRIEN

"RED" RYAN was a big game hunter who had the misfortune to be born poor and was consequently unable to hunt the lawful kinds of big game.

In a society which knew how to turn an adventurous disposition to its own uses he would have been a very valuable citizen, but ours is not that kind of society. To be adventurous in Canada you must either have a lot of money or engage in the kind of adventure which will bring you a lot of money. "Red" Ryan had to choose the latter alternative.

There is a type of man who derives his highest satisfaction from risking life and limb and liberty in a sporting adventure. It is a type which is very common in the Irish race to which "Red" Ryan belonged. It can find satisfactory employment equally well in pitting itself against lions or tigers or high mountains or yellow fever or some human opponent

## BEAUTY SHOPPE

BY IRENE CHAPMAN BENSON

WITH waves re-set in serried rows resplendent, Serving their term beneath the dryer again, She sits serene while facial packs are blended, Planning the details of the night's campaign.

She will emerge—her new-plucked brows enduring—  
Mascara on each eyelash deftly set;  
White hands a-drip with scarlet nails alluring,  
God help the man she's going out to get!  
Winnipeg, Man.

such as a military enemy or the police. To the poor man with no money and no scientific training and nothing but his adventurous disposition, only the police are always and in all places available.

Regarding the police and other guardians of law and order merely as so many opponents in the game which he has elected to play, the big game hunter of bank robbery looks upon their lives exactly as the big game hunter of the jungle looks on the lives of his tigers or elephants. He has no particular pleasure in their death but he has an intense desire to win the game. And since he is risking life and limb and liberty for the sake of the game it seems perfectly reasonable to him that they should do the same. Look at the fun they must be getting out of it.

A big game hunter may be an excellent book-keeper but it is not possible for him to be happy keeping books. It is not a suitable occupation for an adventurous disposition. I am afraid that "Red" Ryan's numerous and devoted friends overlooked this element of his character when they undertook to help him go straight. They should have provided him not with security but with some tremendous and exciting risk of a simple and obvious kind which would appeal to his not very well developed imagination. I do not know just what in Canada that risk could have been. It was obviously too late to make a mountain climber of him. In Ireland he could have been a member of the Republican Army. In England they could have sent him out to deal with savages in some far flung corner of the Empire. In South America he could easily have been a brilliant revolutionary leader for he had infinite charm as well as infinite audacity. Only in Canada was there no career for him save that which led to a felon's grave.

There is no need for the sentimental theory that either poverty or bad associates pushed "Red" Ryan back into a life of crime against his will. He went back because he liked it. He liked to pit his own

## "MARGOT"

BY HELEN SANGSTER

Because, four hundred years ago,  
In France a certain queen, Margot,

Did not let massacres and such  
Catastrophes upset her much,

But all her days remained so pure  
A devotee of *haut couture*

That, while disasters round her churned,  
She to her "stuffs and scissors" turned.

Each wee but proving inspiration  
For some adroitly styled "creation";—

Because of her, this spring we wear  
Clothes that might regal labels bear,

Since they indubitably are  
Designed by Marguerite Navarre.

nerve and resourcefulness against those of a worthy opponent and the only worthy opponent he could find was the forces of law and order. He would have been the first to admit that they gave him a good run for his money.

The last time I saw him was at Harry Anderson's funeral at which time he must have been planning his last escapade and probably seeing no incongruity in it at all. I think he would have attended the funeral of the policeman he shot in Sarnia and been quite genuinely sorry that that officer had to die. But he would not have felt any personal responsibility for having killed him. That was just the luck of the game.



**WOOD BISON PRESERVED FOR POSTERITY.** The only wood bison group in the world and the first of this natural setting arrangement of stuffed beasts in Canada was presented to the National Museum of Canada on May 27th by Mr. Harry Snyder, of Montreal. The Department hopes that this will be the beginning of a series of Canadian animal groups after the manner of the New York Museum of Natural History collection. Mr. Snyder travelled to Salt River, Alberta, where live the only remaining herds of wood

bison, photographed the animals, then shot them and had the skins, skulls, etc., shipped by pack train, airplane and railway to New York, where they were mounted. The setting was made from Mr. Snyder's photographs of Salt River, the timber wolves are Salt River timber wolves, the shrubs in the foreground are Salt River shrubs and everything is most authentic and exact. Our photograph, reproduced below, gives some idea of the life-like quality that has been obtained.



## FURTHER ASPECTS OF BRITISH ISRAEL DOCTRINE

BY GEORGE W. MCCracken

We published a few weeks ago an article by Mr. McCracken, dealing with the remarkable advance made in recent years in Canada by the British-Israel movement, and describing some aspects of the theocratic principles which its members hope to establish in the government of the world. Events since that time have been even more favorable to the movement, which has long predicted the collapse of the League of Nations and believes that it will be followed by the establishment of a theocratic regime in which the British Empire, the United States and the Scandinavian countries will be closely united for the betterment of the world. The present article deals with other aspects of the British-Israel doctrine, and particularly with its insistence on the prophetic symbolism of the measurements of the Great Pyramid.

THE theocratic state, for which the British-Israelites are striving, is to be headed, as its name implies, by the God of Israel. It is to be a monarchy with the lineal descendant of David acting as the human representative of the Supreme Ruler until the Second Advent, when Christ Himself will take over the throne. All necessary laws for perfect government are to be found in the Old and New Testaments; nobody therefore will be allowed to make new laws. The parliamentary system is to be abolished. The nearest to a trace of democracy that will be left is administration of the divine laws through an elected administrative council.

You think you have discovered the flaw in the system. You ask a British-Israelite what is to keep the administrators, who are only human, from doing a little grafting. Since the law will have to be interpreted to suit modern conditions, what is to prevent a good strong lobby from influencing the interpretation? He answers that under God's own perfect economic and political system only the righteous shall flourish sufficiently to become prominent and get elected. Furthermore, a great wave of enlightenment will sweep over the Anglo-Israel people as soon as they realize that they really are the Chosen. This will enable them to see through the pretences of politicians and select only the honest. There can be no argument about that; so you proceed to the economic system.

THE Mosaic law set up a cooperative and not a competitive society. The British-Israelites claim. In Deuteronomy it is revealed that no usury is to be exacted and that every seventh year all debts are to be cancelled. There are to be no taxes, but a tithe of production is to go into the national treasury. From the tithing fund, which incidentally will be the technical property of the Deity, will come general administrative expenditures, reimbursement of creditors for the cancellation of debts, and all other just expenditures which are expected of a national treasury.

There seem to be two camps of theocratic economists over the question of money. One side says there is no monetary system in the Kingdom of God. The other would make money "a pure means of exchange without material value." Especially would they demystify metal. There are few things a British-Israelite can become quite so vehement about as the gold standard. It is the chief instrument of Anti-Christ in the economic situation.

The group that is opposed to money of any kind would distribute produced goods directly so that each citizen has a fair share of the national production. It is worth noting that this is merely pushing all forms of socialism and all forms of social credit to their ultimate implications. The other group are practically straight Social Creditors of the Major Douglas school. They would have prices regulated and the state in complete control of all credit. All capital equipment would be financed by the creation of new credits and be held in trust for the community. Consumers' credits would be distributed as national dividends "to every man, woman and child by right, up to the standard of living made possible or desirable by our productive capacity."

BOTH groups unite in assigning the title of all property to the state, or more correctly to the divine Head of the state. But according to the old Mosaic law, possession of real property was virtually private. It must be allotted equitably every seventh, or accounting, year to individuals who need never fear the bailiffs until the next accounting year. Apparently the anti-money group would extend the

Mosaic law of possession or trusteeship literally to modern times. The administrators would therefore be faced with the problem of how many bricks in a factory in Montreal equal an acre of wheat land in Saskatchewan. Those who consider Major Douglas as a possible supplementary prophet to Moses would presumably follow the straight social credit dictates, possibly interpreting all forms of property which did not exist under nomadic conditions, as capital equipment.

THOSE who suspect human nature's ability to resist a little over-borrowing under conditions which outlaw interest and make repayment voluntary are answered by a British-Israel economist:

"There are a number of considerations which would check this tendency. To begin with, the people will be animated by a new spirit. The system as a whole will be the reflection of a new spirit. There will be a sensitiveness of public conscience about this matter. The system will be a good system and people will feel on their honor not to abuse it."

## BIG BUSINESS

BY R. E. KNOWLES, JR.

THE smoker was crowded. Yet, during the whole two-hour journey, the man in the chocolate suit and banana spats held the floor.

He waved his unlit cigar in a commanding gesture. "Why," he shouted, "last week I wuz in to see one of my customers and he gimme an order for a thousand—just one measly little thousand, mind you. So I just looks him in the eye and I sez to him straight, I says, 'Look here, I sez, 'we ain't interested in orders like that. It don't pay us and we can't take it. Now if you wuz to order five thousand or ten thousand, then you'd be talking. Now, how about it?'"

"Well sir, he didn't have no comeback. He just looked sheepish and signed an order for five thousand without a word. Now that's what I call salesmanship."

A few half-hearted grunts of assent greeted this remark. Before anyone could start another line of conversation he was off again, still waving the intact cigar like a maestro's baton.

"Lissen," he said, "there's another customer I'm gonna see to-day. Reason I'm seeing him is our regular salesman don't get no place with him. He can't come away with an order for more than ten or twelve thousand. Now if I don't sell him fifty thousand right on the spot just like that, then my name ain't Sam Moloney."

"How do you do it?" some one ventured, more out of politeness than interest.

"How do I do it? I do it on account of I use PSYchology. No salesman ever got to first base who don't use PSYchology. When I wuz a young

feller just starting on the road I soon found that out and set about to teach myself PSYchology. That's the stuff to get you there. That's how I got the big orders."

"By the way, sir," I asked, "what's your line?" "Oh, metal goods. Now I remember one time..." "Battleships?" I suggested.

He ignored the question. "NOW I remember, one time a couple months ago," he began with another flourish of the virgin cigar, "I went to see a customer who wuz pretty damn tough. So I sez to him straight, I sez..." And so on into another long discourse about his prowess in selling many thousands of something or other.

He reached his destination before I did. After the porter had whisked off the chocolate suit and yellow spats, our super-salesman dug his hand into his trousers pocket, rattled some change and pulled out a handful.

"Here," he murmured as he held the change out in one hand (palm downward) and sawed the air with his unburning cigar in the other. "Here, take it all, porter."

The coins tinkled into the porter's hand. An instant later they all rattled onto the floor.

"Skuse me, suh. Skuse me, suh," the porter said as he picked them up, making sure everybody in the smoker could see each coin as he did so. They were all coppers.

The super-salesman just looked blank. Then suddenly he pushed the cigar into his vest pocket and walked out without a word.

"He's a character," I said to the man opposite me.

"Yes, he sure is," the man replied. "That cigar's a great stunt of his."

"A great stunt? What do you mean?"

A GREAT stunt to get business. I remember the only time I ever saw him before... it was a couple of years ago... he was coming out of a drygoods store as I was going in. Just then he shouted at the proprietor, apparently for my benefit, "Your order will be filled with all speed," and waved his cigar around exactly like he did in here. He aroused my curiosity so much that I asked the proprietor what he was. He told me that the man had been calling on him for years and that he always gave him a small order just to get him to come back because he lived in the hope that some day before he died he'd see him actually smoking that cigar. But I'm afraid my drygoods man is going to die disappointed."

"That's sure a good one," I said. "But what does the man sell?"

"Sell? Oh, he's a traveller for the Superfine Pin Company."

"Above all, God is not mocked. And wantonly to incur indebtedness, knowing that God will repay, is equivalent to borrowing from God in a presumptuous spirit. To act thus would bring its own frustration and adjustment."

There is one item in the ancient Israel system of economics which prospective honeymooners will be glad to see enforced at state expense in modern times: "When a man hath taken a new wife he shall not go out to war, neither shall he be charged with any business; but he shall be free at home one year, and shall cheer up his wife which he hath taken."

THE British-Israel conception of the great pyramid as a divinely inspired enduring witness of Jehovah is not without its sublime aesthetic quality. Incidentally belief in pyramid prophecy is not a requisite for membership in the British-Israel organization, but there are probably few members who do not believe in it. They find their Biblical justification in the quotation from Isaiah: "In that day shall there be an altar to the Lord in the midst of the land of Egypt." The British-Israelites do not profess to be able to foretell the exact nature of events from the shape of the passages in the great pyramid, but they do claim to be able to tell to within a day the dates on which major changes in the destiny of Anglo-Saxon-Celtic peoples will occur. Thus they claim to have known that August 4th, 1914, would be an important date but they could not specify that it would be the date of Britain's declaration of war. November 11, 1918, was the next important date on the pyramid's chronological line and it turned out to be the Armistice. The next important change was scheduled for May 29, 1928. Since the change in character of the passage for this date was similar to that which occurred for August, 1914, they misinterpreted it in advance as another war, but have since concluded that it was the beginning of the depression.

The depressed aspect of the passage continues until the dateline reaches September 16, 1936, where the most dramatic change of the entire passage system takes place. Directly opposite in character from the changes which are claimed to symbolize the depression and the Great War it suggests a period of freedom and prosperity such as the world has never known lasting until August 20, 1953, the point at which the dateline ends. The British-Israelites feel that this is to be a period of final preparation for the Second Advent and the restoration of Christ to the physical throne of David which has been held in trust for Him by British kings. The Second Advent, they say, may occur at any time during the period.

THE verdict of the highest scientific authorities on both the racial claims and the pyramid prophecies is pretty harsh. They grant that the British-Israel movement has attracted many persons with university degrees and scientific training to its ranks and support, but they challenge the British-Israelites to point out one first-rate scientific mind among them. They say that the racial background of the British Isles has been thoroughly established scientifically. The arrival of the Celts, for example, cannot be placed later than 1,200 to 1,400 B.C., whereas it was not until 700 years later that the ten tribes of Israel were "lost". The Celts brought with them a culture evolved in Central Europe and bearing no relation to any culture ever evolved in Palestine. Still more important, they had physical characteristics—blue eyes, fair hair, massive skeletons, and distinctive cranial proportions—which could never have evolved from a Semitic race in ten times 2,500 years.

The possibility of there being any scientific grounds for believing the great pyramid an instrument of prophecy was blasted once for all, the academic scientists say, by Sir W. M. Flinders Petrie, whose studies of the pyramids and subsequent archaeological work in Egypt ranked him as the greatest Egyptologist and gave him the informal title of "father of scientific excavation". Led by D. Davidson, city engineer of Leeds, ranking pyramid prophecy elucidator, the British-Israelites reply that Petrie's measurements of the pyramid are correct but his conclusions wrong. The scientists who deign to reply say that Davidson has the mentality and training of applied science, while Petrie's is one of the greatest of research minds.



A NEW ROMAN EMPIRE. Signor Mussolini presiding at the Grand Council Meeting when he pronounced the annexation of Abyssinia and the formation of a new Roman Empire.



# TROUBLE IN LILLIPUT

BY A. M. MOWAT

Speech by the Vice-Chairman of that Eminent Syndicate which controls the destinies of the Dominion of Lilliput.

Eminent fellow members:

THE behavior of our Western peasantry is causing all of us many wakeful nights. Their heretical views on the true purpose of an economic system, their irreverence towards those in monetary authority and their wilful determination to clothe, feed and even educate their children, are as irritating as they are scandalous. All this, coupled with their refusal to consume our manufactured products to the extent to which we had accustomed ourselves, is driving this Syndicate ever closer to the verge of hysteria.

The problem therefore of how best to deal with these petty agriculturists has long demanded my attention and recently I gave it. No sooner had I done so than I realized that aside from their natural defects of character their chief weakness lay in their inability to sell their grains at a profitable price, and I am happy to say that I have been forced to the conclusion that under the present system of peasant ownership such weakness is impossible of cure.

I SUGGEST therefore that the time has arrived to extend to agriculture those broad principles of concentrated control and management which this Syndicate has applied with such marked success in every field of industrial, commercial and financial endeavor to which it has turned its hand. Such a suggestion, I am sure, will not prove disagreeable to you. Every member of this Syndicate, especially our financial and banking members, should welcome with delight any new outlet for profitable and long term investment, lacking which we are all sadly aware that our beloved system cannot much longer endure. In short, it is imperative for this Syndicate to find new worlds to conquer. And upon my word, gentlemen, the more I study the Lilliputian situation, the more do I become convinced that only by a skillful and well organized descent upon Agriculture can we find an outlet for our acquisitive energies, a haven for our idle capital, and safety for our system.

LET me say at once, that such a conquest will be neither dangerous nor difficult. Indeed my chief regret is, that it will prove so easy that it will not afford an outlet for more than a portion of our idle capital. For thanks to the high price of our manufactures and the low price of farm products, the bulk of our peasants are deeply in our debt. Were it otherwise, we could pour many more of our dangerously idle millions into the purchase of farm lands. As it is, while undoubtedly there will be some nice investing to be done, the bulk of the land we require can be obtained by exercising no more than our simple rights of foreclosure. Indeed so despairing are some of the Western peasants that I believe they can be induced to give us quit claims to their homesteads and to save us from the vexation and expense of legal action.

I do not, however, advocate any hasty or spectacular attack. Except for such steps as may be necessary to get rid of the vicious agricultural Moratoria, now staining the sanctity of contract, all that is required is a slow, steady and unobtrusive advance. To act otherwise might arouse the peasants and give an opportunity to those reckless Western demagogues who are ever on the alert to cozen and mislead our people. I suggest therefore that as the titles to their homes and farms fall into our hands, the peasants should be left in occupation on tenancies terminable at our pleasure.

Such occupation would in the nature of the case be temporary. As soon as we have obtained sufficient of the best located and most fertile areas to give us control, the necessary dispossession notices could be sent out. What I visualize, gentlemen, is a rationalized agricultural industry, in a few strong hands, directed by competent overseers of our appointing, with the peasantry raised to the status of hired help or if you prefer the word—factory hands.

I HAVE had my Secretariat working on the details of the campaign for some time. They assure me that once we get a firm grip on certain strategic locations we should block them up into a number of exceptionally large farms. Then by applying the routine methods of large scale industry there should be no difficulty in so cheapening costs as to drive the remaining peasant owners into irremediable bankruptcy.

You yourselves, gentlemen, from your own experience, should be able to say if such hopes are justifiable. I, for my part, am well satisfied that they are.

The advantages to the peasant of such a rationalized industry would be almost immeasurable. Not only would he be freed once and for all from the annoyance of taxes and the danger of losing his farm, he would in addition enjoy the healthy discipline and orderly régime of our factory system. As things now stand, our peasantry live a life unsupported by all those aids for strengthening the moral fibre which our industrial machine so abundantly provides. At present, our peasants get up when they like, work when they like, grow what they like, worse yet, they even eat what they like, subject to no other restriction than their own disorderly appetites and the contents of their larders.

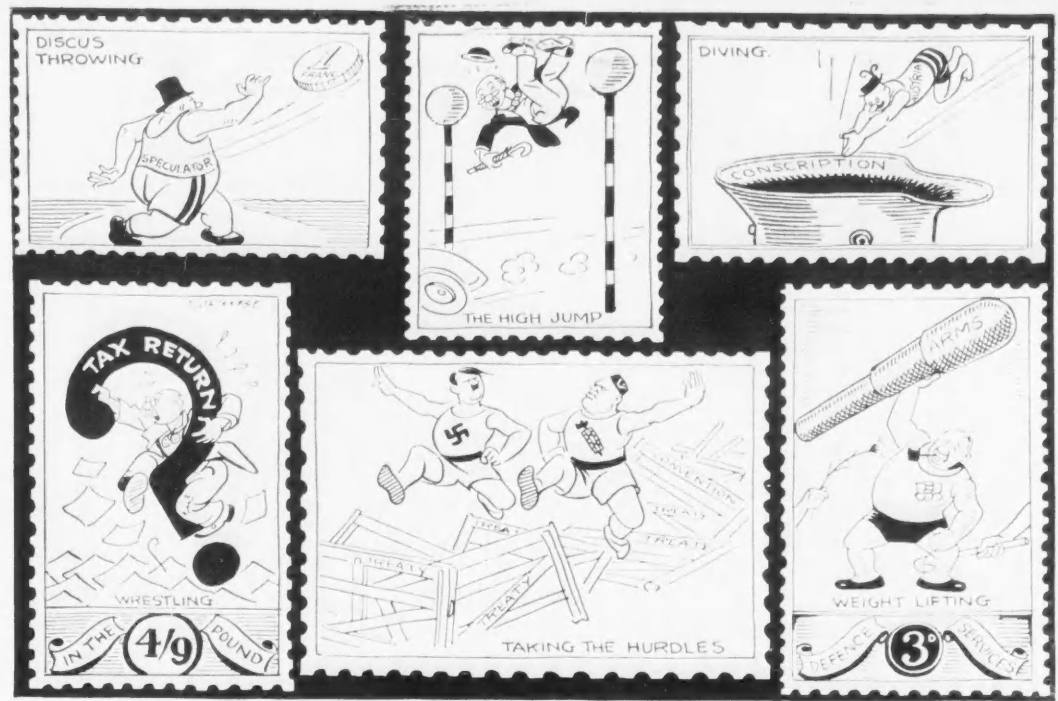
Under our management all this would be changed, and changed for the better. They would learn what fear meant, the fear of losing their jobs, and fear, gentlemen, is the beginning of wisdom. With fear, too, would come respect, reverence and I hope loyalty to the Owner and the Owner's overseer.

Certainly our economies in man power should create such a considerable surplus of farm labor as would permit the introduction of any hour and wage-schedules which the maintenance of our agricultural dividends and world competition might require.

SUCH competition, I say in confidence, would undoubtedly be severe, at any rate until we had eliminated our foreign as well as our domestic competitors. While it would perhaps be unwise to admit it publicly, there can be no doubt that our peasantry must learn to adjust themselves to a somewhat lower standard of living than that enjoyed by, let us say, the Argentinian peon, who at the present moment occupies in that Republic much the same status as our peasantry I trust will occupy in the near future in this Dominion of Lilliput. Otherwise it will be quite impossible for us to eliminate our Argentinian competitors, enjoying as they do ready access to the sea and a much more equable climate.

Let me turn in conclusion to pleasanter matters and dwell for a moment on the form and management of those large estates which in the near future the members of this Syndicate will be called upon to administer. It might seem at first sight that we could not do better than model both them and ourselves along the lines followed by the English aristocracy of the 18th century. I confess, gentlemen, that I have often toyed with the idea of being a great landed proprietor, and have pictured myself as the master of one of the Stately Homes of Lilliput standing amid its own broad acres and ancestral trees, and dreamt more than once of the simple pleasures to be derived from surrounding myself with an obedient and adoring peasantry dependent upon me for jobs, coats and blankets.

IN MY more realistic moments, however, I have felt that any such benevolent squirearchy is scarcely practicable on our Western plains. To begin with they have no ancestral trees and the peasantry are as ungrateful and intractable a lot as it has ever been my misfortune to meet. I feel strongly that in view of the strict discipline and simpler living standards we will be called upon to enforce, we would be happier if we continued to maintain our Stately Homes in the more cultured East. Some form of Absentee Landlordism would meet the case. Indeed we could scarcely do better than take as our ideal the Latifundia of Ancient Rome. Certainly this would enable our overseers to reduce labor costs to a minimum and if thereby native labor became scarce, this would give us an opportunity to improve the docility and serviceability of our peasantry by the introduction of good racial stocks from Asia and Africa. Some of you however, who have been unfortunate enough to come into personal contact with the Western temperament, may doubt if this stiff-necked peasantry would submit to our control without a desperate struggle. Such doubts are, I think, quite unwarranted. Peasants are peasants the world over and can safely be treated as such. The state to which their Prussian, Polish and Italian brothers have recently been reduced, not to mention that of the white share-croppers in the Southern States of our great neighbor, not only shows a world trend in our favor, but demonstrates how much can be accomplished under either a Dictatorship or a Plutocracy.



—Cartoon by Strube, London.

FOR POLITICAL STAMP COLLECTORS. A special issue of stamps has been made for the Olympic Games to be held in Germany this year.—*News Item.*

## THE FRONT PAGE

(Continued from Page One)

position of detachment along with the Dominions and the United States.

If there are going to be regional systems for the organization of security, it is difficult to see how Great Britain can remain completely outside of the Western European system, considering that the physical separation of the British Isles from the rest of Western Europe has been completely destroyed by the development of the air arm in modern warfare. Great Britain is now about as much of a continental country as France or Germany; but she is also the leading member of a world-wide Empire with large areas lying in other regional systems. The problem is to reconcile the policy suitable to the first situation with that suitable to the second; and it is a very difficult problem indeed.

So far as we can see, only a close and reliable understanding with the United States would make it possible for Great Britain to maintain a detached attitude towards Europe. There is perhaps some reason for hoping that the United States would now be willing to enter into such an understanding. The rise of dictatorships in Europe has certainly increased the feeling among those Americans who are not greatly influenced by Mr. Hearst, that the United States has vastly more in common with Great Britain than with any other nation, and in spite of war debts they are almost certainly coming nearer to the view that one of the best guarantees of their own liberty lies in a close relationship with a strong British Empire.

2 2 2

### THIS TALK OF SERVICE

A VALUED correspondent writes to tell us that he is sick to death of hearing the banks (any banks—Canadian, American, international, branch or unitary, private or chartered, government-owned or investor-owned) talk about their services to the public. He says that he knows they render services to the public, but he also knows that that isn't why they operate; that they operate because there is money in it.

On the other hand, *The Printed Word*, an amusing little periodical devoted to the interests of institutional publicity and issued in Montreal, assures us that the business institutions which have incurred the least public indignation during these hard times are those which have all the time been telling the public of their services to the public.

It is an interesting debate, and, opposite as their views may seem, we agree with both parties. We think that it is a mistake for any business to talk as if it operated just to give service, and not to admit quite frankly that it operates to make money. But we also think that it is a great mistake for any business not to talk as if its method of making money were to render service—if there is any chance of getting itself believed when it talks that way, and there usually is. And we further think that those businesses which have the hardest time, in these hard times, are those which by the nature of their business find it most difficult to make the public understand that what they are doing is rendering a service. And quite at the head of the list in this respect, we feel sure, are the banks. The chief service which they render, that of always paying back the depositor's money when he demands it, is so completely taken for granted now that it has ceased to be popularly regarded as a service at all; yet it is a service of fundamental importance to the whole business structure, and requiring a very high degree of skilful management and a very delicate organization. We think that it is not because the banks have been unduly silent that they have been singled out for attack, but because other types of financial business are easier for the public to understand.

2 2 2

### MUNICIPAL DEMOCRACY

THE combination of unemployment relief burdens and reduced taxable capacity has gravely impaired the financial independence of many Canadian municipalities, and is leading to a demand, not only for their financial support by their respective Provinces, but also for a radical modification in their political structure. It is beginning to be felt that a public authority whose revenue is really in the long run derived almost entirely from immovable property, and whose expenditures have mainly to do with services rendered to that property, need not logically be governed by the votes of every adult citizen. In other words, while the principles of democracy probably do call for universal adult suffrage for both sexes in the selection of the sovereign government of the nation, they do not necessarily call for an equally extended suffrage for the administration of municipal affairs.

A too widely extended suffrage has almost certainly been a major cause of the financial difficulties of the city of Montreal, which are now reaching a climax and causing a demand that the government of the city be taken out of the hands of its elected aldermen altogether. In a city such as Montreal, a large part of the non-property-owning vote has no real permanent stake in the community whatever. Even if the voter's place of employment is within the city boundaries, he may at any time seek a residence in one of the suburban municipalities which are always growing up around the outskirts. The floating voter cannot be expected to take a long-term view of

### I AM OFF TO WALK MY GARDEN

BY LOUIS BLAKE DUFF

IN HEAVEN, when the summer comes  
I shall hang my harp and say—  
I am off to walk my garden  
At the dawning of the day.

A-weary of your Jasper walls  
Homely flags I'll walk once more,  
A-weary of your purple thrones,  
Oh! the bench beside my door!

I am off to walk my garden  
In the grey and creeping light,  
To drink the keen, cool winds of morn,  
From flagons filled in the night.

I'll see the quiet day come up  
In search of the sleeping bee,  
And hear the solemn trees contend  
In whispering mystery.

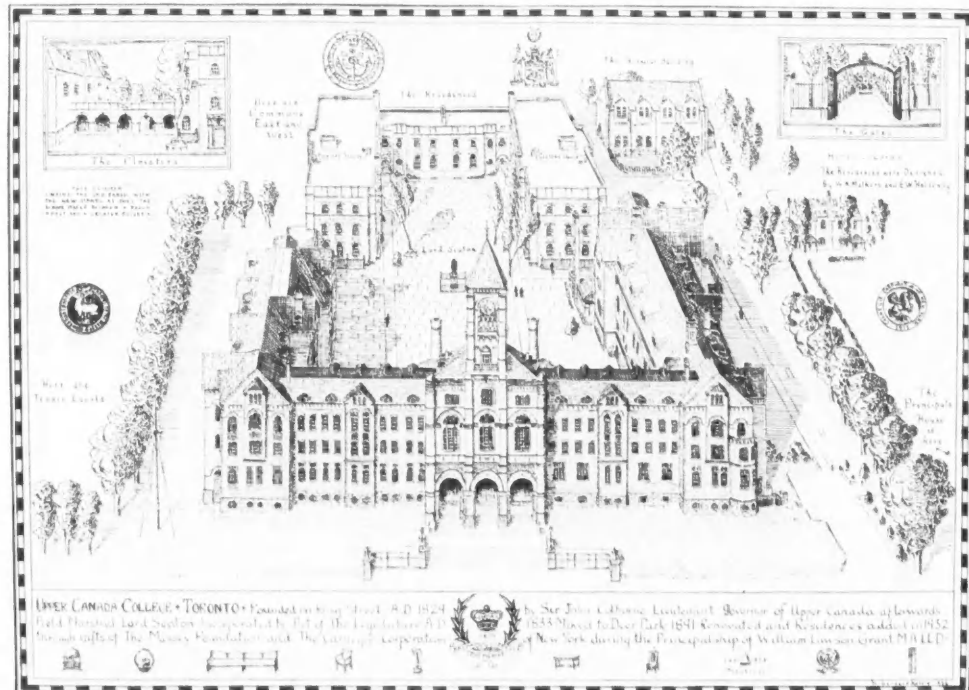
Aloft the loudest by the bridge,  
Her infrequent evening swishes,  
The brook below in sweet content  
Sings of happy wanderings.

Fair Flora in her robes of white,  
As in summer's zone will shuffle,  
And wave to me from the hedgerow  
When I mount the meadow stile.

And when I mount the meadow stile  
I shall know my journey done,  
The new heaven far behind me,  
And an old one just begun.

O paradise! when summer comes  
I shall hang my harp and say,  
I am off to walk my garden  
At the dawning of the day.

the problems of municipal finance. Any expenditure that seems likely to promote employment naturally appears good to him; he always hopes that the paying of the bill will be done by somebody else, and even if he has to bear part of it himself, the date at which it will fall due seems so far off that he does not greatly bother about it. Municipal debt is really a first mortgage upon the property contained within the municipality, and the interest charge upon it, together with the service charge for almost everything that the municipality does, is a charge against the income derived from such property. In these circumstances it is not unreasonable to suggest that only those who have some real and durable interest in the property affected should have the right to vote on municipal affairs.



UPPER CANADA COLLEGE AND ITS MEMORIALS. The Print from which this has been copied is the work of H. G. Kettle, M.A., Director of Arts and Crafts in the College. It includes, in addition to the view of the buildings as they now stand, a copy of the official version of the College crest designed by Scott Carter in 1932, the seal of Upper Canada of 1833, the crest of the Founder, Lord Selkirk, the seals of the two chief recent benefactors, the Massey Foundation and the Carnegie Corporation, and drawings of various familiar features of College life.

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WITH TROUSERS TO BLEND



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## —National Affairs

## AH, TAKE THE CASH

BY JUDITH ROBINSON

Ottawa.

THE Capital's political prophetic foretells the fate of Minister of Transport Howe: "My dear, he'll never last. He's so foolish. He's trying to run his Department as if it were a business. And he can't do that, of course."

INTERLUDE—Mr. Sarto Fournier, M.P. of Montreal, youngest Liberal in the House, retires behind the Commons curtains to spend a happy and innocent half-hour with two straws and a bottle of pop.

JUST supposing—Minister of Revenue Isley makes a novel suggestion to Mr. Bennett: "Supposing, for the sake of argument that I am right..."

MR. J. S. Woodsworth, M.P., C.C.F., offers a diagnosis of Canadian Liberalism: "Do nothing. Wait. Appoint a committee."

BRITISH to the rescue—the Finance Minister introduces Budget Resolution 5, a concession to semi-loyal stomachs in the Canadian Manufacturers' Association: "This item affects automobiles produced by manufacturers having a British Empire content of fifty per cent."

PARLIAMENT Hill stands desolate this week. Dramatic interest is removed elsewhere. Premier Abernethy has gone home to Edmonton and the official Opposition, or most of it, huddles in Toronto to see what's happening to Earl Rowe and if it's really true that Fergie... In the words of Omar Avery Khayyam:

Some for the Tophes of this world  
and some  
Sigh for the social dividend to come.  
Ah, take the cash and let the credit  
20.

The trouble with Premier Abernethy, according to orthodox observers, was that he wanted both cash and credit. The less orthodox say that all Mr. Abernethy wanted was a way out and a face-saving formula. They say, too, that he might have found both with Mr. Dunning's help if it hadn't been for this little man Fallow who will insist on the Alberta Government's position, what Mr. Abernethy has provided. That's the worst of providing remedies, moral or monetary, that's always the danger that some damned busy body will rush in and want to work them. Look at the trouble Saint Paul had of Saint Peter that way. However, there's no one getting into the social-dividend question. That's the vulgar-Tory Convention's creed at the moment. And maybe it's really true that Fergie...

Returning to Social Credit, the Minister of Finance, that Premier Abernethy did not come to Ottawa alone. To the task of convincing Mr. Dunning that the Federal Government would provide "rehabilitated" support for Social Credit and a compromise "social dividend" at once, he brought with him the one man who could understand him. Departed from the world and his country, an understanding was widespread by Ottawa that the Minister had come to his last days. A supposition, however, that was not true. At least that, some for the eyes of the press of words to tell his friends. Social Credit, however, did not find its way into the minds of the Finance Minister. The man who was Minister of Public Works, Mr. A. Fallow, finds no leader. Mr. Fallow is a small, quiet, unassuming man, but he is a man who seems to be a prophet in Ottawa. What he has predicted is Social Credit, or a sort. He is the W. A. Fallow who was mayor of Vermilion, Alberta, the very Vermilion of the social dividend interest and



HIS HONOR, THE HON. E. W. BAMBER, new Lieut.-Governor of British Columbia, who succeeded the Hon. John W. Fordham Johnson, who resigned because of ill-health.

insisted itself with post-dated checks to the complete satisfaction of all concerned except the bankers. At the end of the year the bankers were so far from satisfied that they invoked the Bank Act to put a stop to the Vermilion experiment.

Strangely enough, the invocation did not convince Mr. Fallow that the bankers were right and he was wrong. On the contrary, he has been waiting ever since for another chance to prove his point. His present plans are to start proving it in Alberta next month with some self-cancelling public works certificates. But there are still obstacles between plan and fulfillment. One of the biggest of them looks comically like the Social Credit Premier of Alberta, Hon. William Abernethy.

MR. BENNETT'S reconciliation with the Minister of Finance was the high spot of the House of Commons week. His own late accusations that Mr. Dunning is a servant of the Saint James Street interests conveniently forgotten, Mr. Bennett joined with the recently accused to assure that the law is powerless to punish the lawless, disarray who measured His Majesty's mails for the selfish purpose of calling Mr. Dunning a servant of the Saint James Street interests.

The anonymous tribute that this quieted old opponent in the bond of suffering shared, was contained in a letter, rightly notable for warmth of feeling and bad proofreading. Copies, adorned with a two-color representation of Mr. Dunning in a sailor suit steering the Ship of State upon some particularly knobby rocks came by mail from Montreal to parliamentarians of all parties. Then coming caused the Minister of Finance such pain that he had to interpret a subject debate with evidences of his anguish. A highly sensitive man, Mr. Dunning. You'd never think it to look at him. You might not guess it from a study of his career. Yet, though he took to politics young and practised them with success in Saskatchewan, Hon. C. A. Dunning is a highly sensitive man. Impoverish his ministerial motives, and he suffers. He suffers like anything, he suffers about and right Hon. R. B. Bennett suffers with him. That is to say, when anyone else is riding the lightning Mr. Bennett suffers with him.

Three months, going on four, of scorn on the Speaker's left have produced in the Leader of His Majesty's Opposition an oddly protective attitude toward His Majesty's Ministers. Mr. Bennett stands as if were in place of the parent. He wishes neither to spare the rod nor spoil the child but he will brook no assistant

disciplinarians. What chastisement is required he is prepared to supply, what correction is needed he will administer single handed. Upstarts whose presumption undertakes to admonish the Liberal Government are a great deal more likely than not to find the Conservative Leader jumping feet first down their astonished throats.

As Leader of the Opposition, Mr. Bennett does his duty. He misses no chance to indicate the error of Mr. King's Prime Ministerial ways. He is unflinching in his denunciation of the pork barrel aroma that distills from the supplementary estimates of Minister of Works Cardin. He does not neglect to note, and having noted, to lament in the parliamentary speeches of Hon. Clarence Deane Howe a regrettable governmental tendency to mix politics with transportation. He takes avuncular pleasure in demonstrating that he knows a great deal more about the affairs of young Mr. Isley's Department of National Revenue than young Mr. Isley does. He unlooses his wrath upon Mr. Gardiner and he takes pains to puncture Minister of Labor Rogers' swelling hopes of salvation-by-communion. These things and more he does. It is his duty. But lesser slaves of duty will please keep off the grass unless they want their toes trampled.

Let a C.C.F. Member question the defence value of bigger and uglier armories than have been; let a Social Creditist suggest that grants in aid of steamship lines are merely subsidizing foreign consumption; let Mayor Gerry McGeer of Vancouver quote campaign promises against his honored Leader or the much-too-Liberal Member for Rosthern breathe the wicked word reflation; like the Guards, Mr. Bennett is up and at 'em. Before Ministerial sentries are well awake or Ministerial lines of defence formed, the Leader of the Opposition has discharged a couple of withering volleys into the rash invader of his critical preserve and reloaded ready to fire again. The fortress of Liberalism will not fall to insurgents within or to irregulars without if the Conservative Leader has anything to say about it. Thus far, he has managed to have quite a lot to say.

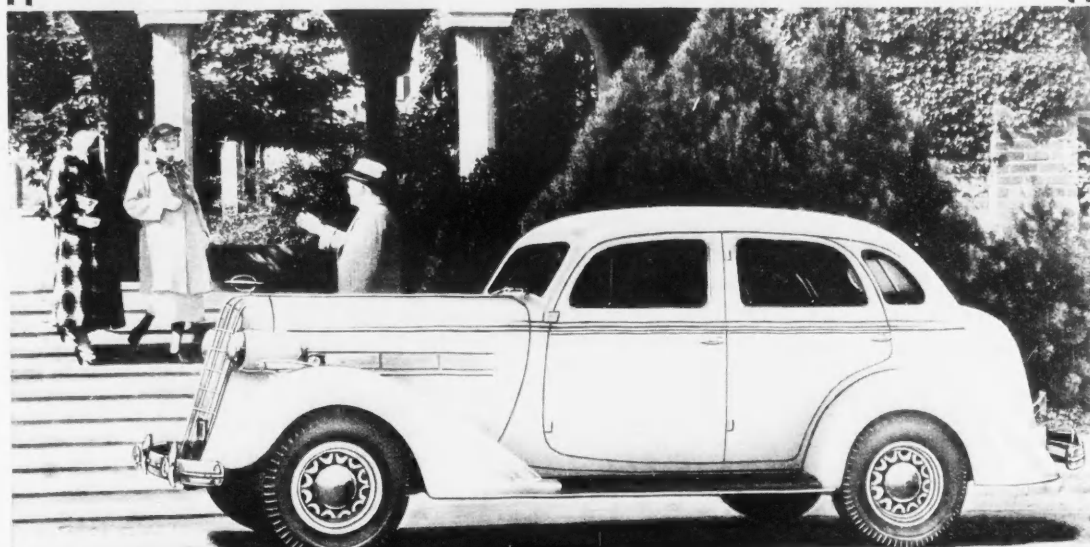
NEWS of the Washington Pact released last week by Minister of Trade and Commerce Euler is causing quibbles among Ottawa friends of the Pact. It's so much too good. The figures in Mr. Euler's release show

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Canadian exports of horses up to 8,700 compared with 1,600 in the same months of 1935. Cattle exports to the States have jumped from 39,000 head, value \$2,262,000 in the four-month period of last year, to 75,000 head, value \$3,605,000 this year. The value of pigs exported across the line under the new low tariff is 130 times greater, of cheese twenty times greater, of maple sugar ten times greater and so on through an imposing list of farm and timber products. The question troubling Ottawa concerns escape clauses and the timing of the good news. If the

Washington Pact is all that the figures indicate, it is 1936's gift to the Canadian primary producer. And if it is that, the eye of Mr. Roosevelt's election campaign seems hardly the moment to proclaim the fact. Mr. Roosevelt has trouble enough keeping friends with the rural voter of his native land without Ottawa trumpeting the new advantages enjoyed on the U.S. market by the rural voter's Canadian counterpart. First thing Mr. King knows, say one set of critics, his cherished pact will be a United States election casualty. There is another set of critics. What

they say is that the Premier's pact is denuding this country of pure-bred stock and laying up wool for the Canadian farmer in the shape of a live stock famine. And they quote the export figures to prove it. But figures will prove anything.

Would-be Advertiser: "Are you certain that advertisements in your paper bring results?"  
Country Editor: "Absolutely. Why, the last time a man advertised a lost dog, the dog walked in while the man was writing out the advertisement."



## Half-alive from One to Five?

It's EASY to see when another man is slipping. But it's harder to face it yourself. So it was with Jim. For months, he vaguely realized something was wrong with him. Tasks that he used to take in his stride had become a grind. He dreaded the afternoon hours most. Minutes dragged. Sometimes he felt too tired to get through the day. And worst of all, it showed in his work.

Sluggish days are often due to common constipation. It has helped to sidetrack many a promising career. It is a great enemy of vigor. Your pace slows down.

Most frequently, common constipation results from meals that lack sufficient "bulk" to exercise the intestines. So many people make the mistake of dosing themselves with pills and drugs that often do more harm than good. The real answer is to get "bulk" back in your diet. Scientific tests show that Kellogg's ALL-BRAN

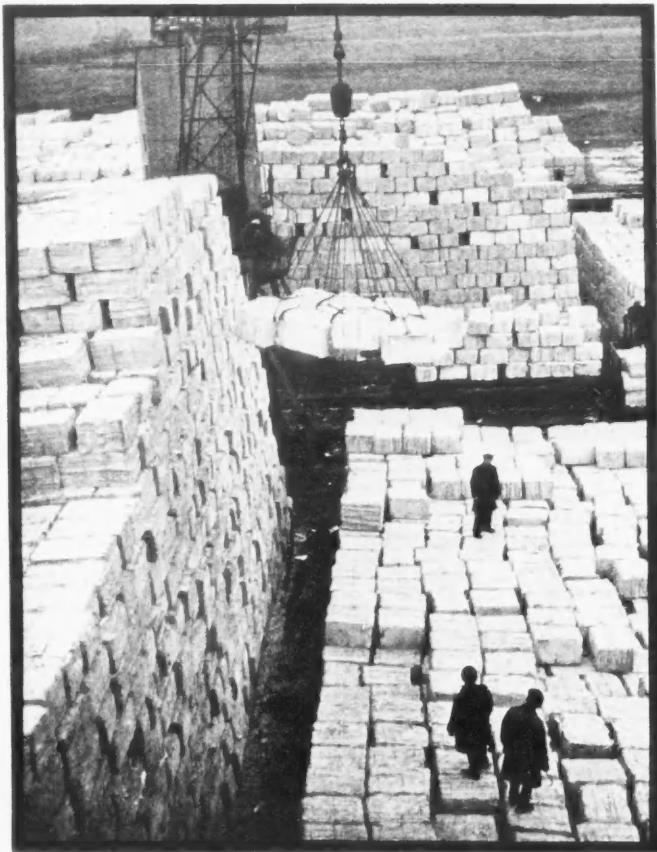
supplies soft "bulk." Also that this "bulk" is often more effective than the "bulk" in fruits and vegetables. This natural laxative food has been used with success by millions of people. Two tablespoonfuls daily are usually sufficient. Stubborn cases may require ALL-BRAN oftener. If not relieved this way, see your doctor.

Enjoy ALL-BRAN as a cereal, with milk or cream. Sprinkle over other cereals, soups, or salads. Have your wife cook ALL-BRAN into muffins, breads, waffles, etc. Remember, it furnishes wholesome "bulk." And also vitamin B and iron.

Kellogg's ALL-BRAN corrects only common constipation, makes no claim to be a "cure-all." It is much more effective than part-bran products. Sold by all grocers. Made by Kellogg in London, Ontario.



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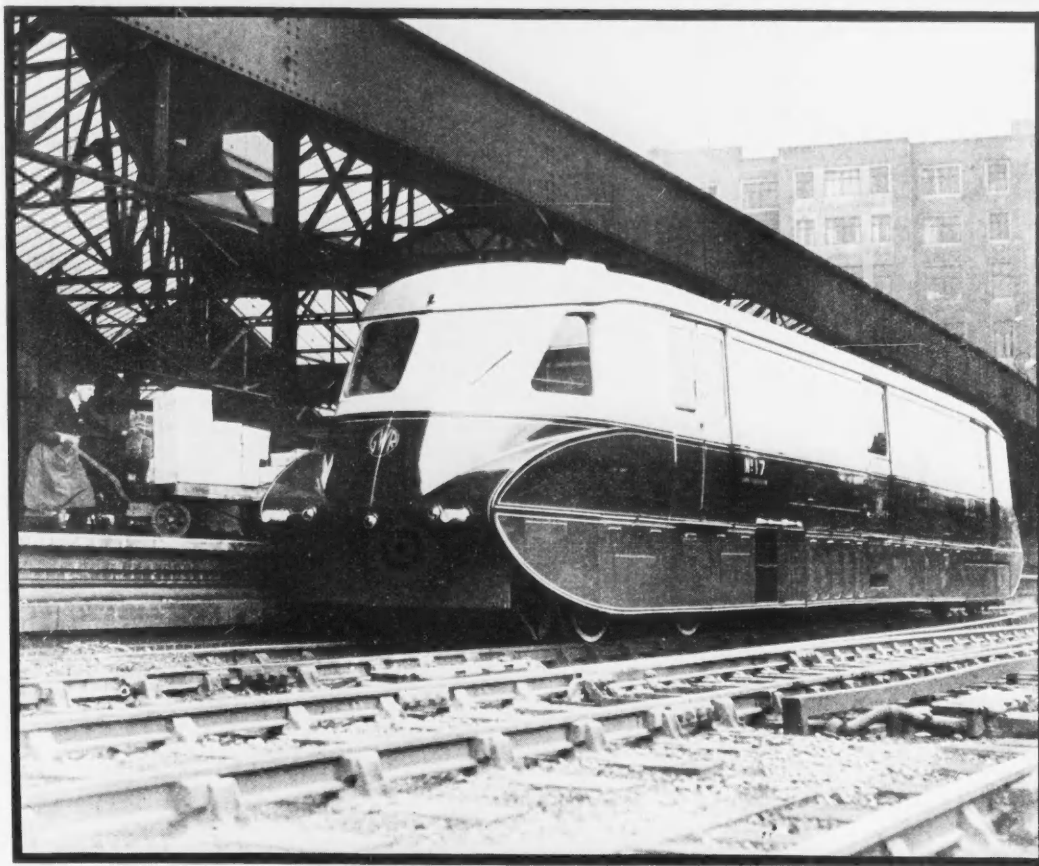
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# SCISSORS AND PASTE

BY WALTER LIPPMANN

CONFRONTED with the difficult questions left by the decision of the court in the coal case, there are some statesmen in Washington who are not baffled. They are already offering a new Guffey bill, and the Congressional committee is ready to approve it without further hearings. They have solved the problem in a very simple way. The constitutional problem they have dealt with by using a pair of scissors, the economic problem by using a pot of mud, and the political problem by calling for a rubber stamp. Thus great problems can be solved almost instantaneously.

BEFORE they make too much of a spectacle of themselves, the Legislators might take the advice of a man who has had more practical experience with overproduction and price-fixing than any other living American. That man is the Secretary of Agriculture, Mr. Henry A. Wallace, and they might ask him what he thinks are the chances of "stabilizing" the coal business by fixing minimum prices.

He will be bound to tell them, I should suppose, that that was Mr. Hoover's mistake, that the old Farm Board tried it and that it did not work. In fact, he would have to say that the whole agricultural policy of the New Deal was based on the fundamental idea that you cannot keep prices high and steady by fixing them where you think they ought to be, that if you wish to fix the price of a commodity you must control the supply. For the only way to fix prices is to fix the amount that is produced. Without the control of production, the effect of a high price is to increase the supply and when the supply increases the price falls.

The coal problem is not essentially different from the farm problem. In effect one of the most illuminating things ever said about this coal mining is, in its technique and its economics and its social history, a branch of agriculture rather than an industry. So if the New Deal has to control farm production in order to stabilize prices, it would be rather curious if it tried to stabilize coal prices without controlling production.

CONGRESS might then stop and consider whether it really wishes to take on the stupendous job of telling the hundreds of coal producers in the United States how much coal each one of them is to produce.

IT IS important to notice that the majority of the court, in refusing to decide whether price-fixing is valid, took occasion to say that this must not be "taken as indicating that the court is of opinion that these provisions, if separately enacted, could be sustained." The Chief Justice and the three minority justices, on the other hand, took the view that Congress has the power to fix the price of commodities sold in interstate commerce.

Without presuming to guess at what the majority had in their minds, it may be pointed out that the kind of price-fixing represented by the Guffey bill and other measures of its sort differ radically from the kind of price-fixing which has hitherto been practiced. The older price-fixing had, as its main object, the protection of the public against monopolistic practices. The new price-fixing has as its object the granting to the producer of a monopolistic privilege. There is a vast difference between the two, even though they have the same names, and it is certainly an arguable question whether there is not a fundamental constitutional difference.

REGULATION of prices in the old sense was an attack upon a privilege, the privilege of a monopoly, say a railroad, to raise rates, unchecked by competition, and to discriminate among shippers because they were helpless. Regulation in the new sense has the opposite purpose: to raise prices, to create monopolies, to compel the public to pay more than the competitive price. The Guffey Act, for example, was an attempt to confer upon the producers of two-thirds of the coal and the representatives of half the miners the monopolistic privilege of fixing the cost of mining coal, and thus by in direction the price of coal. It may fairly be challenged, it seems to me, as a scheme for compelling the whole public to subsidize certain favored groups of producers.

Under a constitutional system which

promises the equal protection of the laws, it is a very real question whether this whole array of New Deal measures — N.R.A., A.A.A., the Guffey Act — is not a denial of the equal protection of the laws. For surely it is one thing to say that government may regulate prices to cure the evils of a monopoly, and a diametrically opposite thing to say that it may regulate prices in order to confer and enforce the privileges of a monopoly. The one form of regulation is for the benefit of all; the other for the special benefit of a particular group.

REGULATION which seeks to bring prices down to a competitive level is a very different thing from regulation which seeks to raise them to a monopoly level. We can see that in the field of transportation. When the object of railroad regulation ceased to be lower rates for the shipper and the passenger and became the protection of disproportionate fixed charges and the monopolistic wage rates, the railroad industry became stagnant and forgot how to compete with the new transportation by truck and bus.

Caught between their bonded debt on the one hand and their union contracts on the other, the railroad managers demanded that trucks and buses should be compelled to charge more than they were charging. The railroad men may have a reasonable case, but the net result is absurd. The American government, which has been trying for fifty years to reduce the cost of transportation to a competitive level, is now trying to raise the cost to a monopoly level.

And who is the winner? The American public gets out of it the right to pay more for transportation and to be transported less efficiently. For the railroads as protected monopolies have been until very recently relatively the most backward of the transportation agencies, whereas the automobile industry, under competition and without any government protection, is the most progressive, giving constantly improving service for less money. It has been only recently, under the pressure of the competition from the automobile, that the railroads have begun to show signs of life.

WE MAY be fairly sure that if the coal industry gets itself established as a protected government monopoly, it will presently have a lobby in Washington insisting that Congress force its competitors in the oil industry and in the hydroelectric industry to charge more for these competing sources of power.

Then the New Dealers, having fought like tigers to reduce the price of electricity, will find that in order to save the coal monopoly they must compel the utilities to increase their rates. We shall yet see, if this trend continues, the day when the utility magnates are summoned to Washington and told that in charging such low rates they are chisellers and cut-throat competitors who are destroying the wage level of the coal miners. We shall see Mr. Lewis and Mr. Gray, and no doubt Senator Wagner as well, denouncing the chaos, the disequilibrium, the utter instability resulting from the yardsticks that Mr. Roosevelt used to cheapen electricity.

For it is into such absurdities that a society must fall when it seeks to stabilize itself by making everyone a privileged monopolist.

Our weekly nut story has to do with the screw-ball who was sitting in his cell, playing solitaire. Another nut was watching. Finally the kibitzer spoke up.

"Wait a minute!" he cried. "I just caught you cheating yourself!"

"The first nut placed a finger to his lip."

"Shh," he whispered. "Don't tell anybody — but, for years, I've been cheating myself at solitaire."

"You don't say," said his amazed pal. "Don't you ever catch yourself cheating?"

"The first nut shook his head.

"Now," he returned proudly. "I'm too clever!" — Mark Twain in *The New York American*.

The BACHELOR'S COLUMN



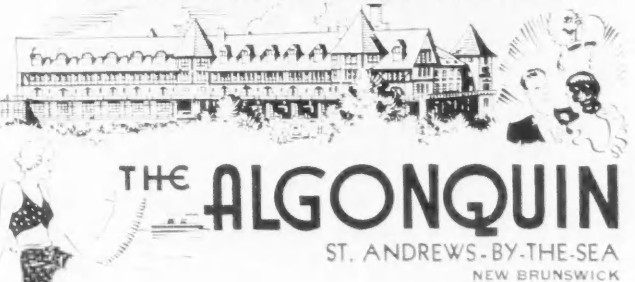
## Cap and Gown

This year's crop of college graduates looks fine . . . Pretty soon now these young fellows will be out in the big, cold world looking for jobs . . . And getting them I hope . . . Then their real, brass-tacks education begins . . . And some of them may find the course pretty stiff . . . There's one thing I envy them though, besides their youth . . . And that's the joy of first getting acquainted with the mellow, soothing fragrance of Bachelor Cigars . . . So, Mr. Bachelor of Arts, let me present Bachelor Cigars — and long life to both of you, say I.

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# MUSICAL EVENTS

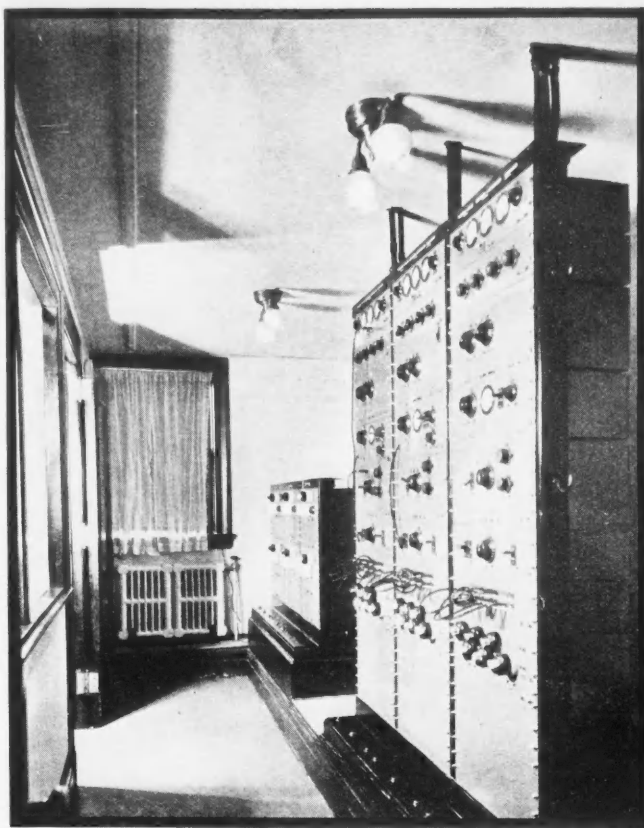
BY CHRISTOPHER WOOD

THE Toronto Trio gave its second concert of this season—the first in Malloney's Art Gallery on Tuesday, May 19th, and the promise of the first concert entirely fulfilled. In the Mendelssohn Trio in D minor the three players—Murray Adaskin, violin; Philip Spivak, cello; Louis Crener, piano—displayed, after a rather weak opening, a considerable verve and finesse, which qualities were even more marked in the Fantasia by Bridge. For in this latter work the two strings, who are less authoritative than the piano, let themselves go in the rich flowing phrases and achieved a decisive and powerful effect. In this and in the Scherzo of the Mendelssohn Trio the players attained, I think, their best work of the evening, though the slow movement of the last mentioned

work achieved, very nearly, a really noble simplicity. In the Beethoven Trio in B flat major (the Archduke), however, the playing was decidedly weak, neither the cello or the violin sounding convincing. Both appeared frightened of the music, approaching the composer with an unnecessary amount of awe which was paralyzing in its effects. It was noticeable that Mr. Adaskin is not, as yet, very happy in the softer and more subtle passages, his tone lacking conviction and the phrasing being distinctly uncertain. This is partly due, I think, to his vibrato being weak and rapid so that the tone sometimes seems rather to tremble with fright than to vibrate with life. Mr. Spivak is, of course, hampered by a very poor cello, but his work would, I think, benefit if there were rather less of a tendency to scoop with the bow. All through this superb—and, he it said, musically difficult work—the pianist had to pull the other two players along with him, which gave an unfortunate effect of restlessness and corresponding weakness. These remarks may, perhaps, seem unduly harsh, but this ensemble is more than good enough to stand up to a lambasting, and with these undeniable flaws removed—and I have sufficient faith in the sincerity of the players not to doubt that they will be removed—will achieve an enviable position, and fill a niche which has long been empty in Toronto.

THE Toronto Public Schools Empire Day Concert, which took place in Massey Hall on May 21st, was as usual one of the most interesting events of the year. One realized while listening to the seven hundred voice choir conducted by Miss Emily Todd that here was potential material for the Mendelssohn and other choirs, and even more important, here were the first shoots of a genuine culture, the earliest results of the efforts in education. For singing—or music in any form—cannot take it, he considered useful, it is not a means for the gaining of money, except in the case of those who become professional musicians, and it's precious little money they gain. No, it is genuinely cultural, a means only for the creating of "good states of mind," and as such its value to Canadian life is beyond all price. One left the concert reassured as to the future, and with the feeling that Canadians might dissociate themselves from Oscar Wilde's odious dictum that an American is a man who knows the price of everything and the value of nothing. Too frequently, I think, Canadians have been guilty equally with Americans in just this lack of a sense of values. But this concert, as I say, was reassuring.

The concert opened with the Public School Orchestra—all violins as yet—under the direction of Eldon Brethour, playing a number of sea-chanties arranged by Percy Fletcher. The players displayed a remarkably accurate intonation and a nice smooth tone, nor did they lag behind the conductor or rush ahead of him. Later on the program they played two numbers by Mendelssohn. Another interesting item was the Instrumental Quartet, consisting of three violinists, French horn and bassoon, played by Collegiate students. The bassoon was a little weak, perhaps, but the other three players did very well, the horn in particular deserving great praise. The rest of the program with the exception of two dances by some charming infants from Earl Grey School was devoted to singing of one kind or another. The singing of the seven hundred voice choir under the direction of Miss Todd was astonishing. Every child played the strictest attention to the conductor, in a manner which some adult choirs might do well to emulate. Her control over the choir is absolute, whether they sing in unison or in parts. The last number of the first group, the Bluebells of Scotland arranged with a lovely descent by Dunhill—was particularly beautiful. The winners of the various competitions displayed in all cases an excellent clear diction, and the choirs who actually competed at this concert for first and second places were so uniformly good that I, for one, would not have cared for the responsibility of judging them. In the mass only one mark separated the winner from the loser, when the final results were read out by Roy Fenwick, the provincial school music supervisor, at the close of the concert. After this there was the presentation of prizes by Mr. H. B. Spaulding, Chairman of the Board, and the choir sang "O Canada."



VIEW OF RACKS of amplifiers, rectifiers and associated switching gear.

## THE BLATTERPHONE

BY ROBERT B. HAMILTON

LADIES and gentlemen, the Canadian Radio Commission now presents a Blatterphone reproduction of ———. Quite often this phrase has begun the introduction of certain radio programs on the Commission's networks; programs which have held the listeners' complete attention because of their unusual character. Yet the scenes described, the addresses given, and the incidental sounds heard, all occurred several hours or even days before. The means whereby the Canadian Radio Commission can produce this miracle is found in the Blatterphone installation at Ottawa.

The accompanying photographs will give some idea of the appearance of this equipment. All the apparatus shown is used to impress in steel tape a magnetic record of sound, which when reproduced will give a facsimile of the original.

This tape is wound on aluminum spools, each of which when full contains almost two miles of tape. It will be seen, therefore, that the tape is very thin and fragile. Actually it is three-thousandths of an inch in thickness and slightly over an eighth of an inch wide. During the process of recording, the tape is run at constant speed from the full spool to an empty one, passing through a series of magnetic fields produced by what are called "heads." The cores of these "heads" consist of thin steel tongues which are pressed against the tape. By varying the magnetic strength in the tongues the molecules of steel in the tape are arranged in an unusual manner, but their collective magnetic power is then roughly proportional to the variations in the original sound recorded.

This system of recording is a permanent one in the sense that no deterioration takes place with time and consequently ten or a hundred years later reproduction will be perfectly faithful. And this by no means restricts the tape to one recording, for incorporated in the Blatterphone system is a means of magnetically wiping out a previous program and applying a new one. Thus, each tape, which runs for slightly over thirty minutes, can be used over and over again or it can be stored indefinitely for future use.

The Blatterphone installation at Ottawa consists of three complete channels, thus permitting uninterrupted recording of programs of any length. For instance, the proceedings of the opening of Canada's 17th Parliament occupied almost an hour and a half and this is all contained on three spools of tape stored in the Blatterphone Archives. There are many other events of lasting interest recorded and stored in these archives, among which are the various messages and addresses of His Late Majesty King George V, the launching of the S.S. Queen Mary, the funeral of Sir Arthur Currie, the wedding of their Royal Highnesses, the Duke and Duchess of Kent, and the Birthday Party of the Dione Quintuplets.

It was but a short time ago that we were privileged to hear the voice of

King George V, during the Empire Christmas Broadcast. We shall not hear that voice again in the person of our late King. It is entirely probable, however, that we may again be permitted to hear it, in almost faultless reproduction, through the medium of the Blatterphone system.

## MUSIC NOTES

ABOUT ten years ago, the New York String Quartet appeared here for the Women's Musical Club and played Smetana's Quartet, subtitled "From My Life." Toronto music lovers still remember that delightful music. Smetana portrays important milestones in his life. First, the drama and struggle for existence in a small Czech village; then his military service, with its lighter moments of café gaiety and conviviality. In the third episode, he brings forth the tranquility and joy of life in the country; and finally, the last period when he becomes deaf but hears the note of high E constantly ringing in his ear. Smetana even in his most serious moments employs themes which have that characteristic lightheartedness of the Czech. The viola is given special prominence in this quartet, and as it is to be included on the Hart House Quartet concert in December, one may anticipate an evening of special enjoyment.

THE Hambourg Conservatory of Music announces that Yasha Pye, the eminent Russian violinist, has now permanently settled in Toronto, and he offers a one year violin scholarship to a Canadian boy or girl who has had no previous violin instruction. Examinations and interviews commence June 15th, latest entry date being July 1st. Application forms may be had on request.

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## New York American

MARCH 21, 1936

The Hart House Quartet performed in a manner that was a highlight of the current music season.

## Los Angeles Times

FEB. 18, 1936

The acquisition of James Levey as first violinist, has proved a marked advantage to the Hart House Quartet. They play with an ultra-refinement of style and impeccable intonation. They are comparable to the Pro Arte, Roth, and recently disbanded Londoners.

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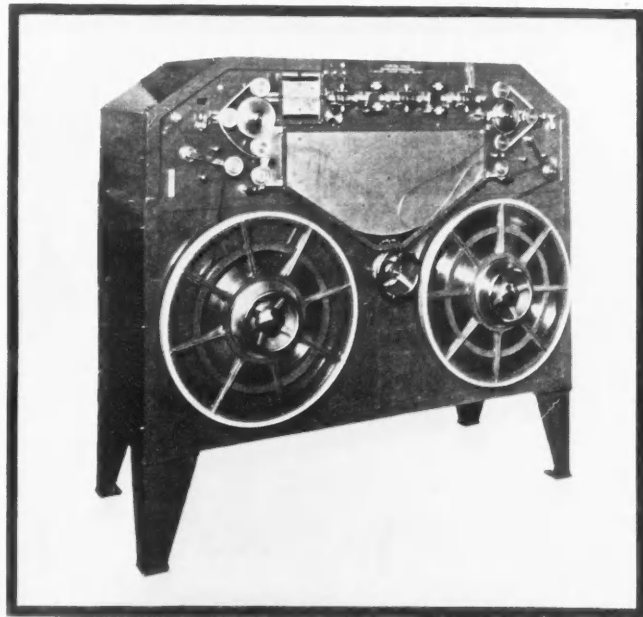
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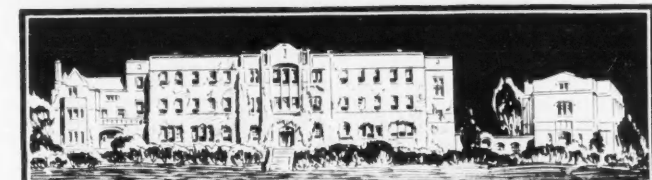
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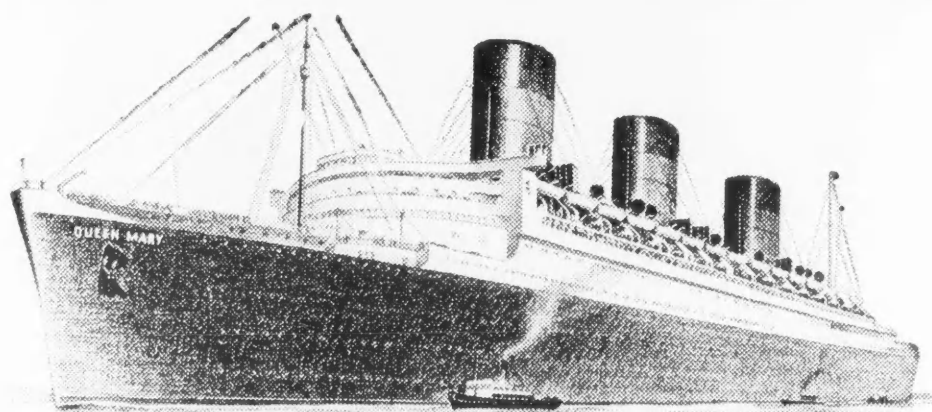
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# THE FILM PARADE

BY MARY LOWREY ROSS

## PIXILATED ROMANCE

MISS A. is very enthusiastic about Robert Taylor, the latest screen sensation. He reminds her, she says, of the early Francis X. Bushman, who was so popular that when he made a personal appearance here twenty-five years ago, (Miss A. is a treasure house of screen memories) feminine admirers lined up six deep at the stage entrance of Shea's Theatre, hoping just to touch him as he passed.

"But Robert Taylor is really better than Francis X. Bushman," she said, "because he's much more pixilated."

Ever since "Mr. Deeds Goes to Town," pixilated has been Miss A.'s favorite word. (Pixilated, a folk-word, derived from pixie or elf.) "Gary Cooper is pixilated and so is Clark Gable and Franchot Tone and Robert Montgomery," she said, "but

by Robert Taylor in his high-powered car. And off they go, lickety-split, sixty miles an hour, with Robert quoting poetry and saying the craziest things you ever listened to."

He ought to have been arrested, I said, for driving while in a state of pixilation. Miss A. frowned, for she doesn't care for interruption. "He drives off the road finally," she said, "and over a bank and into a river, and when he wakes up in the morning, there she is beside him in the car, and the marriage licence in his pocket—I forgot to tell you they got married."

"Oh, they did, did they?" I said, "and how did they get a marriage licence at that time of night?"

Miss A. looked mysterious. "The pixies put it there," she said. "The Earth Folk. The Little People. . . . So they were married, and they had to stay married because

she's all dressed up in a marvelous evening gown decked out with calla lilies like a church wedding, and she persuades him to go back to his flat to spend the night."

"Oh, dear, so he has to marry her," I said, for I had grown slightly pixilated myself by this time.

"Indeed he doesn't!" Miss A. said emphatically. "Because the pixies hear about it and they start a calypsoing head abscess in one of his operation cases and the hospital phones Janet and she hustles over and drags him back to his duty. And after that poor Janet packs up and goes back to the small town and her awful family."

"Goodness!" I said, "Couldn't the pixies do anything about her awful family?" But Miss A. shook her head. "You know how it is. Even the supernatural can't change the middle classes." But she cheered up in a moment. "It all turns out fine, however," she said. "Janet's walking down the street and he comes along with his big car and says, 'Hello, Goodness!'—that's his pixilated name for her—and in she pops and off they go—"

"What about Binnie Barnes?" I asked, "what becomes of her?"

Miss A. said the picture didn't say but she imagined the pixies took care of Miss Barnes. They probably changed her into a toad," she said. "or gave her rheumatism or a hump." She finished her salad and watched me observantly while I struggled with the inner resistances of my steak. "It's always a good thing," she said thoughtfully, "to keep on the good side of the pixies."

## THEATRE

MURIEL STERNDALÉ BENNETT

BY NANCY PYPER

MRS. Sterndale Bennett is dead. It is difficult to write more than that. An appreciation written as frankly, as gratefully and warmly as I feel would be bound to rush to the surface in terms of indiscriminate praise.

Mr. B. K. Sandwell, commenting on a play produced by her and by her husband some time ago, said, in effect, "I hope they will not mind my speaking of them as one person"—that statement has stuck in the back of my mind ever since; it seemed, to me, so exactly what they were.

I knew them both very slightly but I liked them more than I can say. In and out of the theatre, during festival rehearsals, after the adjudicator had had his way with us all—always they were good "trouperers," smiling, gay, concerned only with putting on a good show and playing the game about everything connected with it.

She had no "temperament"—she told me once, laughingly, that she thought it was her weakness as an artist. With her there seemed to be no "problem," she looked at life—a long, quiet, understanding look and said softly, "So this is life" and proceeded to express it.

The people who knew her in and about the theatre will miss her, the people who loved seeing good plays well done will miss the work of a good craftsman, her friends will remember her for a long while to come.

There was that in her that will bring her to our minds and our hearts even after time has made us callous and dulled our sensibilities.

Nothing can bring anyone back again when they have gone from us at the last—but she was one of those whom it was lovely to have known, and whose name will live in the hearts of those fortunate enough to have been her friends.

## RADIO DIARY

BY CLARISSA DUFF

MONDAY: Three or four weeks ago was called on by a friendly individual who asked to see my radio licence. Upon discovering that it, like most other people's, was pale green, he proceeded without more ado to print my name and address on an official-looking document, write this time. He then demanded two dollars, said it was peculiar weather for the time of year, and departed with a cheery smile.

Thinking the only way to get even with the Department of Marine was by checking up new programs of the Canadian Radio Commission, resolved to do so at once. Also decided if they did not meet with my approval to send a letter filled with pungent criticism to Ottawa. This plan has been interrupted by Ronald's wish to go through the formality of consulting me about the sardens. Am convinced that early in April he spied out the ground for heavenly blue morning glories, pansies, etcetera, and selected a new place for tomatoes; but this did not prevent his discussing it with me. For this reason radio programs for the past few weeks have been back around to conversation. In spite of this handicap am methodically going through the list of Commission offerings.

Applaud decision of those in authority to leave "Dr. Stewart Reviews the News" and also "The Broken Arc," on the air throughout the summer. Am glad to welcome back the Band of the Grenadier Guards, whose conductor is Captain J. J. Gagner. A unique feature of this broadcast is the playing each week of the regimental march of a famous regiment of the British army. Have frequently noted that Montreal seems to be a rallying point for expert performers on the cornet, trombone and other wind instruments. As in the past, this program is being sent to the National Broadcasting Company.

If "Blue Pacific Moonlight" keeps



JEANNE DUSSEAU, soprano, who will be the assisting artist at the first Promenade Symphony Concert of the new season in Varsity Arena on June 4th. Reginald Stewart, conductor, has prepared a brilliant program of Bach and Wagner compositions.

up to the standard of only performance I have heard, have no hesitation in recommending friends to listen to it. Have no intention of praising any program that is not up to standard merely because it is Canadian, but have no sympathy with idea of condemning features which originate in this country without giving them a fair hearing.

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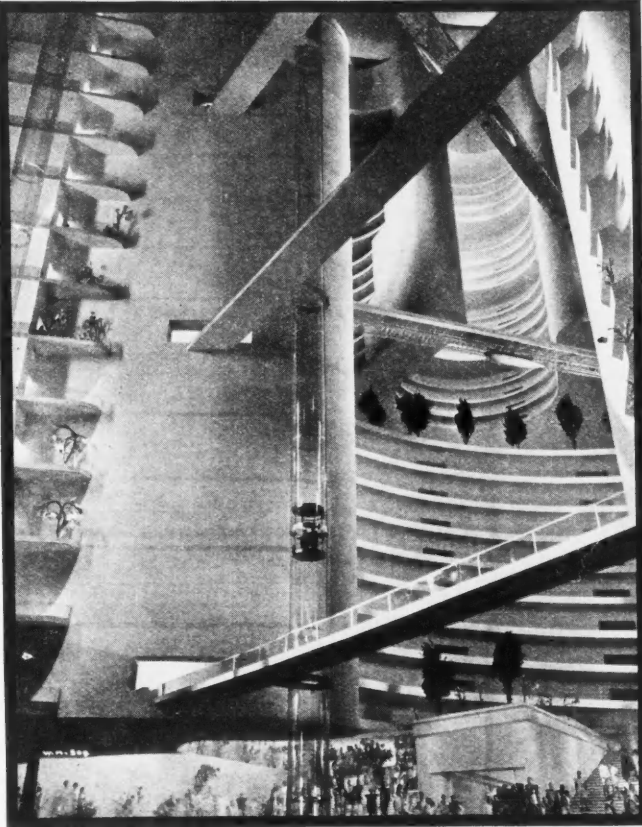
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THE WORLD OF THE FUTURE. A scene from the H. G. Wells film, "Things to Come", current attraction at the Imperial Theatre, Toronto.

Robert Taylor is the most pixilated of them all."

She selected from the cafeteria counter a beet salad, whimsically trimmed with daisies cut from hard-boiled egg; pixilated as all get out. "What happened to the old-fashioned screen heroes?" she went on, "William S. Hart, Francis X. Bushman, Buck Jones, Tom Mix? They couldn't look ahead. They couldn't see pixilation coming. On the other hand, look at Charlie Chaplin, Look at Mickey Mouse, Look at George Arliss! Sixty-five if he's a day, and still Public Pixilator No. 1."

"I'll have minute steak," I said sulkily. We went back and found a table and while I was waiting the usual fifteen minutes for my minute steak, Miss A. told me all about "Small Town Girl" featuring Robert Taylor and Janet Gaynor. It was, she said, authentic pixilated romance.

"Janet is a small-town girl who works in a grocery store and lives with her family," Miss A. went on. "And she feels she just can't stand it a minute longer because the conversation in her home is so terrible. So she goes out and gets picked up

they had been out together all night and you know how horrid-minded people are. Besides he was a rising young surgeon and he couldn't afford a scandal. So they decided they'd just pretend to be married and then get a divorce. And they go off for a honeymoon on his family yacht and there something wonderful happens. When they go on the yacht he has a terrible grouch and a keg of hard liquor and she's just a silly little chatterbox who goes around upsetting things and driving everyone crazy. And inside a week or two she's turned into a strong-souled, sympathetic woman who knows the meaning of love and how to use all her forks, and he's given up drinking and wants to start a newer, better life."

"So it all ends happily," I said with great relief, but Miss A. shook her head regretfully. "It would have only I guess they left the plot out overnight and the pixies must have curdled it," she said, "because when the lovers get back home Binnie Barnes comes into it. She is Priscilla, his former fiancée, and she's a cold heartless girl who wants to ruin him. She meets them at a party and



STAGE NOTABLES SAIL. Raymond Massey, Toronto-born brother of Hon. Vincent Massey, Canadian High Commissioner to Great Britain, who is a stage and screen favorite in London and New York, sailed from New York on May 19 in the Canadian Pacific liner Empress of Britain, accompanied by Miss Adrienne Allen, who also is a star in the theatrical firmament. With them was their two-and-a-half-year-old son, Daniel. Mr. Massey, who played the lead in the Broadway production, "Ethan Frome", is under contract to make a picture in England for Alexander Korda. Miss Allen has just closed in the Broadway production of "Pride and Prejudice".

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# SATURDAY NIGHT

SECTION II

PEOPLE » TRAVEL » FASHION » HOMES » LETTERS

TORONTO, CANADA, MAY 30, 1936

## AN HISTORIC SCHOOL TO CELEBRATE CENTENARY

THE oldest Cadet Corps in Canada was linked with the oldest Highland regiment in the British Army when the affiliation of the Bishop's College School Cadet Corps, Lennoxville, Que., with the Black Watch (Royal Highland Regiment) of Canada was confirmed recently in joint parades of both units at Champ de Mars and in the Black Watch armoury on Bleury Street, Montreal.

Bishop's College School Cadet Corps owes its inception to Christopher Rawson, "an English gentleman of Lennoxville," who formed the Bishop's College Rifle Company in 1861, with the co-operation and assistance of Sir W. Fenwick Williams of Kar, who laid the foundation stone of the new school in that same year.

Christopher Rawson of Lennoxville, was father of Admiral Sir Harry Rawson, commander-in-chief of the Mediterranean Squadron. Another son and B.C.S. Old Boy was Commander Wyatt Rawson, world famous hero of the Egyptian campaign of 1882, who led Sir Garnet Wolseley's army across the desert at night for a surprise attack on Tel-el-Kebir, the keystone of the entire war. Rawson, who had formerly been an officer on Queen Victoria's yacht, employed his knowledge of navigation and guided the army of 40,000 men by a star.

First intimation of Wyatt Rawson's successful guidance was when the vanguard stumbled into the

### THE PICTURES

First row, left. A class in the Preparatory School. Right. The new Bishop's College School photographed from the playing grounds of the old school.

Second row, left. In the gymnasium. One result of a "balanced" education. Centre. South entrance, Main Building. Right. The study hour.

Third row, left. The formal affiliation of the Bishop's College School Cadet Corps with the Black Watch (R.H.R.) of Canada, the ceremony taking place at the Regiment's Montreal Armoury on May 14th. Right, upper. The modern school buildings as they exist to-day. Right, lower. The School as it existed in 1868, its site having been moved from the small building in the town of Lennoxville, where it originated.

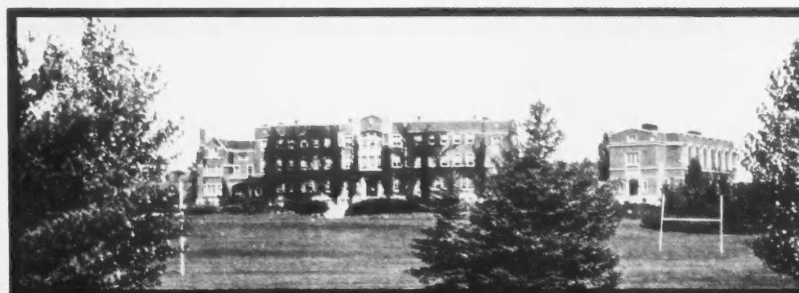
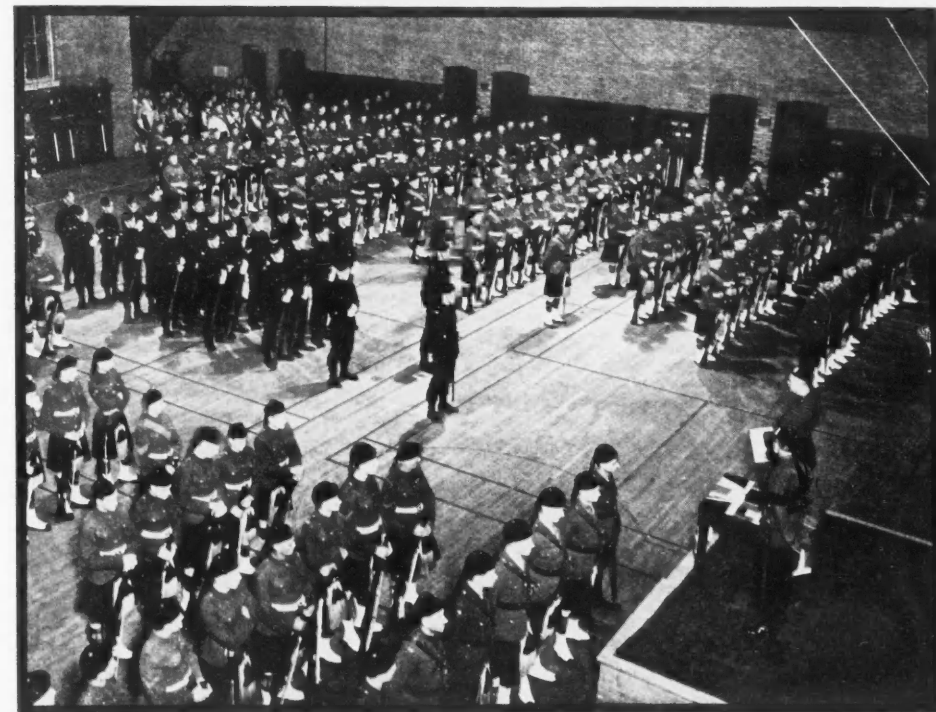
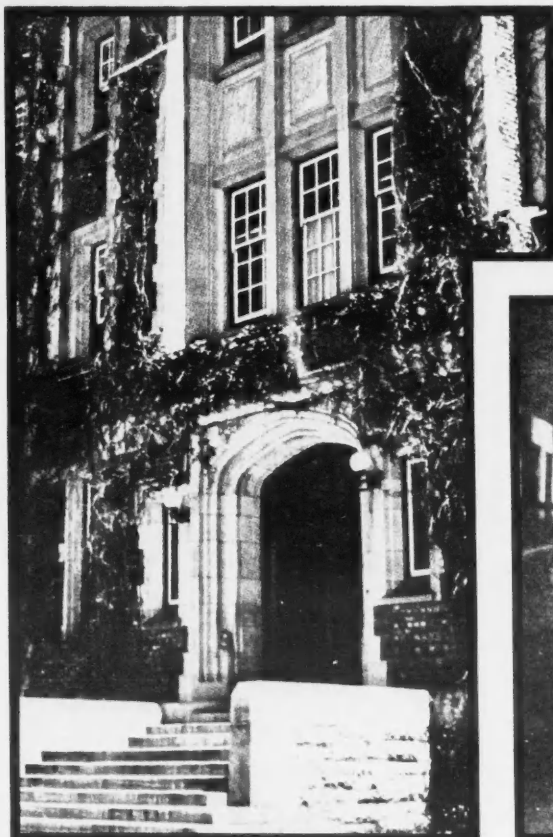
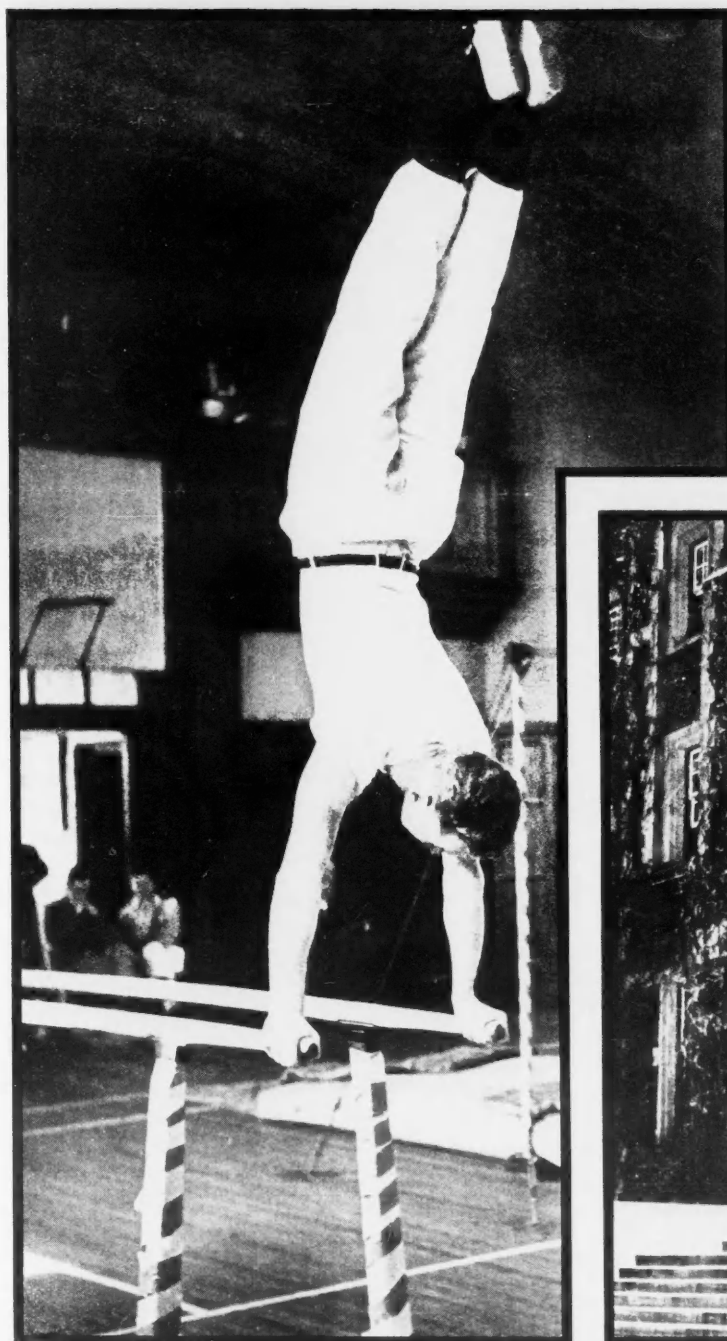
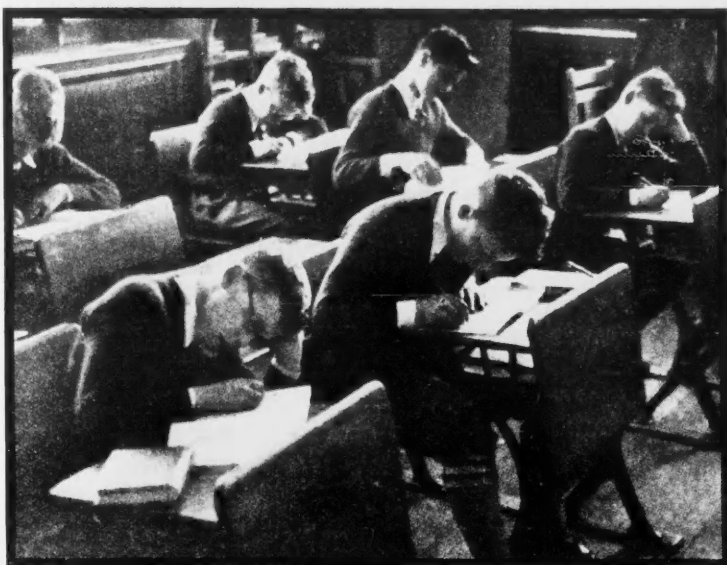
trenches at Tel-el-Kebir. The first shot fired hit Rawson and he died in his general's arms.

Established in Lennoxville in 1837 by the Rev. Lucius Doolittle, Bishop's College School has also a famous record for scholastic attainments. During its near-century of existence it has seen the accession to the throne of four sovereigns—Queen Victoria, King Edward VII, King George V and King Edward VIII. Old boys have fought for Britain in the Crimean War, the Indian Wars, the Boer War and the Great War. It has advanced with the times and has changed from the original "grammar school for the sons of English gentlemen" to become one of Canada's foremost educational institutions, with old boys in many lands and an enviable reputation for the integrity, the intellect and leadership of the men who refer to it as "the old school". The present headmaster is C. G. M. Grier, M.A.

NEXT year the school celebrates its Centenary, and in connection with this event, the directors and old boys have inaugurated a campaign for funds for the erection of a new school building to be known as "The Grant Hall Building."

The late Grant Hall, for whom the new building is to be named, was for many years known throughout Canada as first vice-president of the Canadian Pacific Railway and was chairman of the board of directors of the school from 1922 until his death in 1931.

In a message to old boys of the school throughout the Dominion, the committee points out that the time has come to enlarge the accommodation at the school, to meet the needs of the increasing enrollment of students which each year brings. The funds raised in the campaign will be devoted principally to the erection of the new building which will be used to house preparatory school boys.









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"Respectfully & Sincerely, I am  
REV. M. J. DIVINE"  
—From High Hat in Judge.



AT SEIGNIORY CLUB. Mr. and Mrs. E. J. Carlyle, of Montreal, and Mrs. H. K. Bagley, of Pasadena, California, gathered trilliums in the woods near the Whitefish Lake fish hatchery of the Seignior Club in the Province of Quebec. Mr. Carlyle is the Secretary of the Canadian Institute of Mining and Metallurgy.

## NATURE SANCTUARIES

BY W. SHERWOOD FOX

THE movement for the establishment of nature sanctuaries reflects the broadening of interests which is slowly but surely taking place among the Canadian people. If a nation, like a person, really cannot live by bread alone, then nature sanctuaries are needed to insure the continuance of the supply of one kind of the necessary sustenance, for in the great tracts of unspoiled nature we may find the vitamins of our spiritual existence. Thither should we turn, counsels a famous lover of Nature, if we would "go in search of the springs of life."

The arguments in favor of the creation of nature sanctuaries are manifold and for that reason there must be division of labor among its advocates. The economic worth of such sanctuaries and their indispensable nature as the tool of scientific research will generally be admitted. Even more important may be their value as instruments of national education in its informal aspects and as a means of enhancing our aesthetic life.

There are those who would hold that belief in some special spiritual nature to be derived from a love of Nature is nothing but one of those pleasant dreams men conjure up as escapes from the harshness of reality. Unfortunately, there are enough of such critics to obstruct (on practical grounds, forsooth) all efforts to prove that it is no dream but rather a fact of major importance. Should they have their way, the result would be disastrous: our nation, if limited in its higher life to a diet of bread alone, will become afflicted with a spiritual scurvy. Since the cure and prevention of this malady involve precisely the same treatment, why not be forehanded and apply the prevention now by setting aside properly controlled reserves dedicated to the preservation of wild life?

"BUT," inquires the thrifty citizen, "why go to all this expense? Can we not give the required dosage through books?" The conclusive answer comes from one whom few will dispute: "Books of natural history aim commonly to be hasty schedules, or inventories of God's property, by some clerk." So there we see why we require nature sanctuaries: they are parcels of God's real property.

But these assertions of ours, however sincere, are probably not enough to convert the Philistine to our view; our *ipse dixit* needs at least some appearance of support. I appeal to the experience of the human race as recorded by great observers and writers, and at the same time to the daily observation of the common man. But in this I must confess to a grave misgiving, for I cannot but seem to be making the sacrilegious attempt to prove the existence of a spiritual thing whose existence daily defies proof and which we nevertheless know is real. It is like an endeavor to define love or some other precious intangible. But I cannot evade the distasteful task, for there are still some people who take nothing like this for granted.

NOW despite the spectacular temporal honors accorded men of affairs throughout the ages, all peoples, both civilized and savage, are alike in counting their most eminent poets as their greatest citizens. This means that the real mind of mankind acknowledges the essential truth of the poet's message. This business, then, cannot ignore the combined testimony of all the poets. Point out, if you can, a great poet who does not take for granted Nature's power to invigorate and heal the human soul. It seems to me that William Cullen Bryant in "Thanatopsis" expresses for all time the unanimity of the poets in this respect:

To him who in the love of Nature holds  
Communion with her visible forms,  
She speaks  
A various language. For his gayer hours  
She has a voice of gladness, and a smile  
And eloquence of beauty, and she glides  
Into his darker musings with a mild  
And healing sympathy that steals away  
Their sharpness, ere he is aware.

THUS the poet sings to mankind the great truth concerning Nature. But then what do the philosophers say? Their voice must be listened to with respect, for they, next to the poets, enjoy the world's highest honors. Is it not significant that the great philosophers of the past, when they could not go to wild Nature to find their schools, brought nature to their

schools? Witness the planting of the groves about Plato's Academy and Aristotle's Lyceum in ancient Athens. Without for one moment arrogating greatness to the profession to which I belong, may I point to the instinct that prompts most modern universities to choose campuses that still retain a large measure of wild life, or, lacking that endowment, to embellish their urban campuses with a semblance of wild Nature? But the philosophers, like the poets, have their spokesman also. Could any voice speak with more assurance and carry greater conviction than that of Thoreau? Perhaps some who will not heed the passionate cry of poetry will respond to the more matter-of-fact representations of prose.

"In Wilderness is the preservation of the World. Every tree sends its fibres forth in search of the Wild. The cities import it at any price. Men plough and sail for it. From the forest and wilderness come the tones and barks which brace mankind. Our ancestors were savages. The story of Romulus and Remus being suckled by a wolf is not a meaningless fable. The founders of every State which has risen to eminence have drawn their nourishment and vigor from a similar wild source. It was because the children of the Empire were not suckled by the wolf that they were conquered and displaced by the children of the Northern Forests who were."

NOW I ask: Would we seek the shortest way to be conquered and displaced? If we would, then let us continue on our wanton way and let wild Nature be progressively destroyed. If we decree otherwise, the first step in the recovery and maintenance of the nation's spiritual health is the establishment of wild life sanctuaries.

But the most convincing support of our thesis is not found among the highbrows nor in the past. It is seen by our own eyes every day in the conduct of the average citizen. Granted time, means and transportation, whether does he instinctively turn for rest, the healing of his mind and the calming of his soul? Of course, to regions where at least some of Nature's wildness has been left. Those regions which are the wildest have the greatest charm for him. Even if his observations of bird and beast and flower are the most desultory and inaccurate, yet in a thousand subtle ways he is acquiring something which, upon his return home, he recognizes to be health and strength to his whole being. That the average person from childhood to late middle age loves this life in the wild is plain to every observer. See the zest with which city children, released in an expanse of rural meadow or woodland, pluck its flowers. It is the same zest, only grown up, that beguiles the urban fisherman to exceed the legal limit in fishing in virgin waters, and entices the hunter to kill more than he needs. And just here we have the strangest of paradoxes; the thing that demonstrates most clearly the natural existence in the human heart of a love for the wild becomes one of the strongest arguments for the appointment of sanctuaries. It is only another case of some men killing the thing they love. And it is because men as individuals who love wild Nature are, if not checked, going to continue killing this object of their love, that men corporately have to take steps to prevent them from this destructive, yes, suicidal practice. Suicidal, I say, since, in the long run, it is themselves that men thus bring to a tragic end. Hence our appeal for sanctuaries.

NOW if anybody thinks I overstate the case, I point to a great specific instance. Is it not true that, year after year, people in search of "the springs of life" in the wilderness, have to go farther and farther back in our Province? Many of us can remember when considerable areas of wild Nature were readily accessible near our southern Ontario cities. In the days of the old horse and buggy, Nature, though even then slowly retreating, lingered longer than she does now near the denser haunts of men. But the motor car has turned the retreat into a pitiful rout. I cannot repeat the cynical parody of one of our modern wits: "O tempora! O motora!"

As a boy reared in Toronto years ago, I knew High Park, the Humber Valley and Black Creek as bits of primitive Nature. Then slowly the line between the Wild and the Tame moved back to the Caledon Mountain and the Holland River; then to the Blue Mountains of Grey County, and at length to the Bruce Peninsula. While of course some remnants of primitive natural life are found here

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and there in this southern region, yet generally speaking, one has to go outside its bounds to satisfy his desire for the real Wild. So we can observe each year a steadily increasing trek to Manitoulin Island and beyond, to the rugged area behind the "Soo" and to the unspoiled tracts that lie past Timagami. And note well, nearly all those places in the older part of Ontario which retain their primitive character are what they are through private action, that is, through the enterprise of individuals, companies and sporting clubs. And in a sense

these places are sanctuaries, for though the chief motive for their establishment was not altruistic like that of the present proposal, yet in effect they have been sanctuaries where many forms of wild life have been preserved by unintended inclusion. At all events, though private in origin, they furnish us with concrete examples of what the public of Ontario should do and may expect to accomplish in the form of practical results. They have shown us a way, if you will, to salvation, for after all the saving of wild life is only a manner

of camouflaging our real purpose of saving ourselves from the most predatory of animals, ourselves. If it be true that we are on the threshold of an era of greater leisure, then we need the protection more than ever. Indeed, our history seems to show that, with all our modern virtues, we are not to be trusted with an absolute freedom in dealing with Nature, one wild more than we are our forefathers. If we are really as wise and shrewd as we boast ourselves to be, let us bestow upon ourselves right now the advantages of a timely restraint.

## LADIES OF THE CABINET

BY KATHLEEN MCDOWELL

MRS. C. D. HOWE

IN Mrs. Howe's time at Smith College, President Burton was wont to say that "the mark of a truly educated woman is her adaptability." As the daughter of an engineer and the wife of an engineer, now our Minister of Railways and Transportation, who married her in Boston, moved her to Port Arthur and thence to Ottawa, this year, she has indeed adapted herself to changing conditions and environment. She has the knack of sorting out the pertinent facts from the mass of non-essentials and then fitting them comfortably into their proper places and perspective. That quality and her alertness make her a charming hostess, perhaps with a touch of western breeziness, which shows itself in the sweeping lines of her drawing room; its spacious wing chairs and chesterfields, its grand piano and large crystal globes filled with spring flowers.

Biographies, seed catalogues, and gardening are her hobbies. In June, when they move into their new home in Ottawa, she hopes to garden generally and to her heart's content. Never though in the East will she be able to have the gorgeous dahlias and huge sweet peas that she had in Port Arthur; but one knows that she will cultivate something quite different equally well.

In her interest in modern day questions, she feels that the Local Council of Women puts out carefully dated opinion and that technical questions should be left to those properly trained to handle them. In her work for the Red Cross, in Port Arthur, she was keen about the out-patient hospitals and also thought that a good step had been taken in providing school children with milk and cod-liver oil.

Between their homes in Port Arthur, Ottawa, and their summer home in Rockport, Mass., Mrs. Howe has many interests, though she claims she is no sport "as neither her generation nor habitat has been right for that sort of thing." She will admit, reading the Atlantic Monthly on her sea-beach and bathing, but says she would rather be punished than go fishing. Of the five children in the Howe family, Bill, the oldest, is the swimmer and angler and John, the boy who comes in the middle of the family, is the one who has decided ideas of his own. A house-guest tells the story of one day at the lunch table when he remarked that it didn't matter whether they served the eldest or the youngest first, he never got his food any sooner. However, Mrs. Howe says very firmly that the interest in children is in the eye of the beholder—and should not be enlarged upon, and laughingly concludes the subject by remarking that "astronomy is interesting, too, if one can call the stars by their first names."

SO, THROUGH her varied personal experience and travel, she can see the many points of view in Ottawa and finds it an extremely interesting place with the best elements of East and West represented: all working for a common purpose, governmentally and socially speaking. She feels that meaningless formality is not the keynote but only the formality that position and tradition justify.

"Education," she thinks, "should give women sufficient flexibility to appreciate both the people and the situation around them. And flexibility," she says, "does not do anything to destroy a woman's personal characteristics, since it would be purposeless without a trained discipline behind it."

Mrs. Howe shows her adaptability, quick perception and thorough type of mind in many ways other than in conversation—her straightforward attack on any problem, her quick walk and her fine fingertips. Her hands are not the type one would expect to belong to a rather tall, delicate and zestful woman. One often notes such fine fingertips belonging to those of a scientific trend of mind. Therefore, it might be concluded that she is a person of many and varied interests.

MRS. J. L. ISLEY

BOTH Mr. and Mrs. Isley are true Nova Scotians. They were both born there and were brought up not far from one another in the Annapolis Valley. That environment suggests itself immediately upon meeting Mrs. Isley. It is part of her, for she reminds one of apple blossoms and jessywhows in her natural beauty and sweet, shy charm. Her hair and eyes are a soft neutral brown and her movements hesitantly gentle.



MRS. CLARENCE D. HOWE, wife of the Minister of Railways and Marine.

BEING such a Maritimer, she tells with a ripple of laughter how she served "dinner" (commonly known as seaweed) at one of her tea parties in Ottawa. When wry faces were made at the lullaby flavor she had to promise to give a lunch featuring—no dud!—but fresh clams sent up from Nova Scotia; about which there is much delicious talk and anticipation, since one continues to hear of one of her smart dinner parties, not long ago, when her guests were served with the most succulent of lobsters. When one exclaimed over a lobster each for a salad course, Mrs. Isley, smilingly said, "Well, they aren't very big." What Ontario turkey can compete with such mere morsels of sea-food?

So, for all these marked gifts for domesticity, one finds the Isley apartment a naturally homey one. Its entrance hall, with its cherry-red carpeting and white woodwork, is as inviting as its airy living room, overlooking Cartier Square, done with cherry and blue hand-blocked linen.

Although a pliable person, an easy-to-live-with kind of person, one does not feel it when asking Mrs. Isley for a picture of herself. She simply won't have one taken, as yet. She can be firm. But she makes up for it when she tells us that she doesn't smoke, cut her hair or have her picture taken, for the same reason that she doesn't take cream in her tea. It is not just a matter of decorum.




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## ABOUT THE HOUSE

BY BERNICE COFFEY

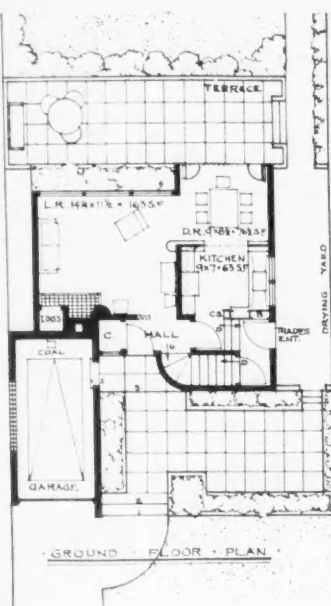
PRaise be, it no longer is quite the thing to have the house duly lit as though in readiness for a seance. We've even heard some tall tales of guests having to form human chains, as do Londoners in a heavy fog, while they groped their way from one pool of light to another in one of these mysteriously lit rooms. The modern idea is to have rooms illuminated in such a manner that guests meeting there for the first time, will recognize one another quite readily the next time they meet.

The newest lights have reflectors that send the light upwards, resulting in a soft, diffused light that not only tends to splendid visibility, but is definitely flattering since it casts none of those sinister shadows that put crow's feet into the youngest face. Another thing about many of these lamps is the fact that they can be regulated to three degrees of light. The reflector lamp was incorporated in a new floor lamp we saw the other day. It has a swinging arm so that

you, you lazybones, need not arise in order to throw more light on your book of the month. You sit there and swing the lamp toward you. It works on the principle of the human arm held out straight, with the forearm bent back. The design is good-looking, and not at all as stumpy in appearance as it sounds.

There is another new light that you buy by the inch, or the foot, if you want to go into the thing in a big way, just as you would buy a piece of ribbon. The "bulb," of milk white, looks a bit like one of those long sausages, and contains a continuous filament that does not flicker. There is a round gadget at either end, which snaps into the special wall fixture. And there you are with a light that

generous areas of plain, smooth silver to act as a foil. On the bowl, for instance, Jensen might have upper and lower surfaces unornamented, with two side handles and a centre knob richly decorated in contrast, thereby drawing to themselves attention justified by their quality. The ornament is always restrained and rightly placed, pleasing to the eye because it seems inevitable. Nature has been the inspiration of many of the designs. A pair of fishes form the handle of a fish server, pine cones are the feet of a wine cooler. There are grapes and vine leaves, twining tendrils and bursting pods, magnolia and lotus blossoms. These are among the loveliest things this generation has to leave to future generations.



is as clear as day, and something rather special as a side light for the dressing table, or wherever a good clear light is needed.

THERE is almost as much sheer enjoyment to be had in holding and touching Jensen silver, as in looking at it. The soft patina of hand-hammered surfaces, the delicate balance of each piece as it is held in the hand, and the beautiful suavity of each design, are the things that bring on the collector's urge in a big way. George Jensen, a Dane, lived close to the fields and woods in his early years, and natural influences, as well as a true feeling for the modern, are strongly evident. He used ornament as ornament should be used, with full attention to its quality, and with

bedspreads are two things that always have remained strongly traditional in design and, as a result, have been sternly limited in their decorative possibilities. Both, however, are beginning to yield to contemporary influence. It was at Lady Willingdon's suggestion, that the rug weavers of India began to pay more attention to new designs, and the result is evident in excellent blending of colors in fresh moderne designs. Candlewick bedspreads have improved amazingly, and the heavy tufting lends itself admirably to the new feeling. Some of them are so changed in character granddama scarcely would recognize them for what they are. For one thing the design covers more of the surface, and the colors are stronger, not the usual wispy-washy pastels. One, in a new May wine shade, was particularly attractive, and we liked another in tones of brown and yellow.

## THE NEW CANADIAN HOME

THE modest Canadian home, wistful ambition of 50,000 Canadian families when the depression has prevented from building, has gone moderne.

The Dominion Government under the Federal Housing Act has provided \$10,000,000 as the nucleus of a \$50,000,000 building fund, and the Minister of Finance conducted a nationwide competition to ascertain the best type of small \$2,500-\$5,000 price class home for Canadians.

To the surprise of all concerned, out of 526 designs submitted the winning design and two of the honorable mentions were distinctly moderne in type, style and architecture.

The eight eminent architects who selected the five prize-winning designs and the ten for honorable mention, were unanimous in their choice of a small, compact, but very smart little home designed by W. Ralston, of Toronto.

The new Canadian home is beautifully simple and simply beautiful in line and design. It has a good size living room, 14½ by 11½ feet, a neat little dining room and a natty kitchen. It has three bedrooms and a bath room, and in the basement furnace room, trunk and fruit rooms and laundry.

And it has a flat roof. Listen to the judges themselves: "Fulfilling all the conditions of the competition, the winning design, while modern in atmosphere, shows in its plans a well-studied and

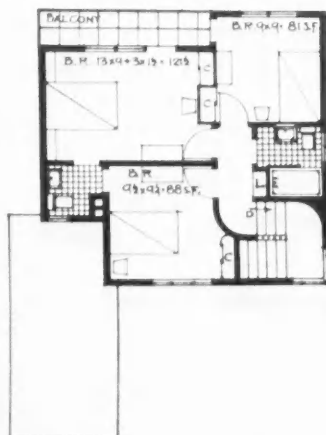
straightforward arrangement of rooms best suited for the needs of the average Canadian household.

"Aware of desirability of using the simplest forms and also of using the cheapest and most widely distributed building materials, the author of the winning design has displayed marked skill in the use of the modernistic treatment of his general design. The proportioning of wall and window surfaces has been carefully studied and a most pleasing and satisfactory result has been obtained without the use of costly forms of embellishment.

"It was in the stated conditions of the competition that special consideration would be given to the design obtaining the required accommodation within the minimum enclosed space. So well has the architect succeeded in this regard in the winning design that the judges had no alternative but to give the design special consideration apart from its other merits for its small cubage and its conformity to requirements of low-cost construction, which can be achieved without detriment either to the quality of the house or to the comforts that it will offer to the owner.

"One feature which is perhaps new to most owners of small houses in this

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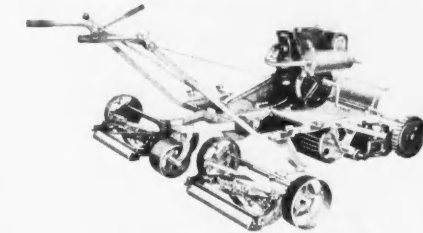


BED - RM - FLOOR PLAN



## Are You in Search of the PERFECT LAWN?

Now and again one sees a perfect lawn, a lawn that looks as though a green carpet had been laid on the ground. Its making and maintenance are not difficult, but they are by no means the result of haphazard treatment. Anyone can possess such a lawn who will take pains in making and tending it. The cutting of the lawn is one of the major problems in lawn care and maintenance.



## IDEAL POWER LAWN MOWERS

The IDEAL is an essential part of the garden equipment. It minimizes the amount of time spent in cutting the lawn, leaving the gardener free to attend to other pressing work.

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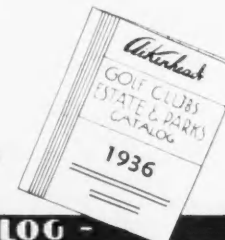
You can find in the Ideal line, just the kind of power lawn mower which is suited to your grounds—whether they be large or small, level or rolling, or broken up with trees or walks. These mowers are adapted for use on moderate size home lawns, large estates, parks, cemeteries, schools, and institutions. They will do your job of mowing more economically than you have ever before experienced.

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## Freckles

*Stillman's Freckle Cream*  
You can banish those ugly, embarrassing freckles quickly and surely in the privacy of your room. Your friends will wonder how you did it. Stillman's Freckle Cream removes them while you sleep. Leaves the skin soft and smooth, the complexion fresh and clear.

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*Stillman's Acetone*  
No one likes pimples. You can get rid of yours—have a clear skin again with Stillman's Acetone. It's guaranteed to give you satisfaction. Takes only a few seconds to apply—then immediately becomes invisible. Write today for folder. Pimples removed!

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The business end of this brush was designed to clean every nook and cranny of artificial teeth. The handle was designed to fit your hand. The very stiff bristles are set immovably in the staunch French ivory handle. The bristles, set on a curve, clean convex and concave surfaces perfectly. Designed by an expert. No other brush does this job quite as well. Obtainable in white or black bristles.

Ask for Keystone "Correct Curve" at drug or department stores.

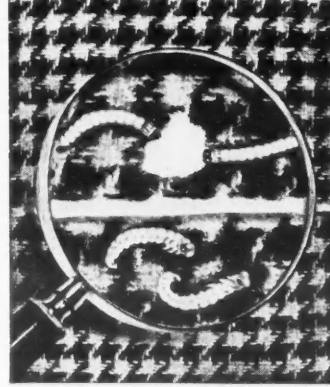


Stevens-Hopner Company Limited  
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## Revolutionary method ENDS MOTH DAMAGE FOR 12 MONTHS IN 1 APPLICATION

(wear clothes any time)

The only home-use preparation that withstood the dramatic Verified Mothproofing Test.



**TOP** Woolen cloth treated with widely sold, ordinary moth liquids, etc. Note havoc caused after moth arrived.

**BOTTOM** The same cloth treated by exclusive Larvex principle. After 12 months not a single fibre touched.

## Moths Can't Eat Wool Sprayed With Larvex

ASTONISHING—this thifty new method of mothproofing precious woollens for 12 long months in a few minutes. Remarkable—new Larvex liquid not only sweeps away old-fashioned moth bags and furtive odors, but also ends the uncertainties of liquids lacking the exclusive Larvex principle. Authorities know risky sprays (and vapors) kill only the moths they touch—then quickly evaporate. New moths soon get through even the tiniest cracks and feast undisturbed. Amazing and exclusive Larvex home-treatment mothproofs the cloth itself! THEN MOTHS CAN'T EAT IT! Only one application for a year's protection for suits, coats and other woollens. No smells. No wrapping or storage—clothes ready to wear any season and always protected.

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Larvex is the only product sold by all druggists offering this revolutionary new safeguard. Big textile mills have used Larvex for years. Now thousands of women, too, know and depend on its convenience and safety. Larvex has no odor. Harmless to fabrics, humans, pets. Cannot stain. Also protects rugs, upholstery, drapes for a whole year. Don't waste any more time and energy with risky, out-dated methods. Spray Larvex once—any time, and enjoy 12 months of freedom from moth worries at small cost. Use the efficient Larvex sprayer for best results it lasts for years. Get a bottle of Larvex today. At all drug and department stores.

THE LARVEX CORP., STE. THERESE, P.Q.



FORGET THE MOTHS  
SAVE THE CLOTH

**LARVEX**



THE COMFORT AND THE RICHNESS OF A CLUB are reflected in the office of Mr. W. L. Cleland, of Distillers Corporation-Seagrams Ltd. Walls of natural pine provide an interesting background for bronze lighting fixtures, natural homespun draperies, reseda green carpet and walnut furniture—the upholstered pieces in green leather.

—Courtesy: Fulton College Street.

## CONCERNING FOOD

BY CYNTHIA BROWN

"DO pineapples grow on trees, daddy?" asked the small girl in front.

"I shouldn't think so," said her father, with both eyes on the traffic.

We drove in silence for a mile or more.

"Why don't they grow on trees, daddy?"

"Because they are too prickly, perhaps," said her father, absently.

We got skillfully by on a red and cut in smartly to find ourselves behind a truck. Five minutes' inidical driving brought us out on the king's highway.

"Why are pineapples prickly, daddy?"

"If someone behind will kindly quench this infant's thirst for information about pineapples there need be no coroner's inquest," said her father.

"Come and let me read you the little red book about Baby Moses in the bullrushes," said her mother, hastily.

We settled down, three in the back seat, and her mother began in the rapid sing-song that is the only defence against juvenile literature constantly re-read aloud—"Once upon a time in far-off Egypt . . ."

"Yes, we're just coming to the picture . . . There's the dear little baby floating in his cradle . . . What are those sticks in the river? They're bullrushes . . . They grow in Egypt . . . No, those aren't dear little baby pineapples. Pineapples don't grow in Egypt. I don't know where they grow. No, they certainly do not grow on bullrushes. Why? . . . O for the love of mud! . . ."

I suppose very few people have any clear idea of how pineapples grow, any more than peanuts. And why should they? Of course if your ambition is to be able to answer all juvenile questions go ahead and learn. But leave me behind, I'd just as soon re-read Baby Moses.

Meeting such numbers of pineapples everywhere one goes just now it does seem sensible for even the most ignorant to make use of them. The fruit stalls are loaded with them, they are on nearly every smart dinner menu, they are delightfully inexpensive, and we don't have to grow them.

This is an eighty-year-old family recipe for making marmalade with them. I have always intended to publish it; obviously this is the appointed hour.

Pineapple Marmalade: 2 or 3 ripe pines. Pare, and grate them on a coarse grater, being careful to omit the core. (You can put them through the food chopper if you prefer it. I think myself they rather liked doing things the hard way in times past.)

To each cup of juicy pineapple add 1 cup white sugar. Mix in a preserving kettle and cook slowly, skimming and stirring often after steam ceases to appear.

Cook 1½ hours from the time it boils. If not bright and clear then boil until it is. Bottle and seal, or cover carefully with wax.

Now we are going a bit less practical and more dressy. A week or so ago at a smart dinner I met a dessert that was new to me, though my hostess seemed to think it was standard. Perhaps you know it. It made a grand finale to a good menu.

It was simply ripe strawberries, and ripe pineapples cubed, lightly sweetened and served with water-ice in long stemmed, extra-size champagne glasses. When each guest's was on his plate before him the footman filled up the glass to the brim with dry champagne. It of course foamed up and hissed like a seidlitz powder, but it tasted a lot better. The fruit through the icy wine really was extraordinarily delicious.

Emilie Mounier, who probably knows more about French cooking than you or I could learn if I wrote and you read for a century, sponsors this recipe. The original calls for tinned pineapple but of course fresh is just so much better, as fresh things properly cooked are bound to be.

Pineapple Flan: Cook a sliced pineapple in a light syrup till tender. Drain off the juice and add

more sugar to it and boil it hard for five minutes. Chop the pineapple fine and add it to the juice and bring it to the boil again. Mix 1 tablespoon of powdered arrowroot with the juice of 1 lemon, 6 whole eggs, 3 tablespoons Kirsch, and the strained juice. When thoroughly amalgamated, add the fruit. Pour into a basin that has been lined with a coating of caramel and cook for 1½ hours in a bain-marie. Turn out of the basin just before serving.

Note: A bain-marie is an expensive copper outfit on the principle of our double boiler, which makes a perfectly good substitute for it. The water in the outside receptacle must be kept just below boiling point. This is important; particularly in recipes like custards, containing eggs. (Maybe that's why your sauces curdle, Chile?)

If the month of May, to date, is any indication of what to expect in June it seems we might like our sweets chilly soon. I can recommend this electric refrigerator dessert.

PINEAPPLE SHERBET WITH MINT

1 teaspoon gelatin

½ cup water

1 cup pineapple juice

½ cup sugar

2 egg whites

1 cup crushed pineapple

2 tablespoons prepared mint sauce or

1 tablespoon chopped fresh mint and two tablespoons lemon juice.

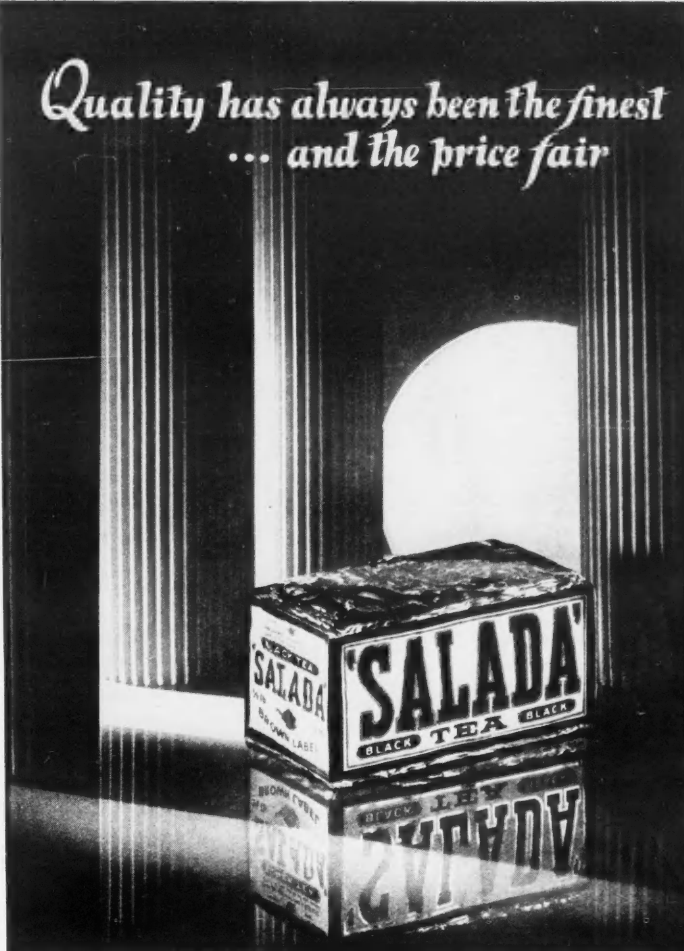
Cook a chopped fresh pineapple in a little light syrup till tender. Melt gelatin in 2 tablespoons of the water

(boiling). Boil remaining water, pineapple juice, and sugar for 3 minutes. Add gelatin and strain. Cool, add fresh crushed fruit and mint and lemon juice, or mint sauce, pour into freezing tray. Put in to freeze for 1 hour. Take out and beat with a Dover beater till light and frothy. Return to freezing compartment for another hour, when it should have begun to freeze. Beat again, this time adding the unbeaten egg whites. Beat until very light. Return to tray and freeze until ready to serve. Decorate it with fresh mint leaves. Looks nice.

A good fruit cocktail, if you are given to such to lead off a luncheon or dinner, is made with cherries and pineapple. Big black imported eating cherries will be here any day, and aren't they good?

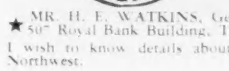
To 1 cup of fresh pineapple cut in wedge-shaped pieces add 2 cups of pitted cherries. Mix and pour over them ½ a cup of pineapple juice, and the juice of ½ lemon or 1 lime. Sprinkle the top freely with mashed and chopped fresh mint leaves mixed with finely granulated sugar. Serve very cold.

I still think it's hard to beat fresh pineapple in season served as a dessert au naturel. Leave on the leaves. Cut enough off the "rust" on one side to make the creature lie down on a silver dish. Cut a full slice off the opposite side. Take out all the fruit with a sharp knife, leaving a good firm dish of the shell. Chop up the fruit with fruit sugar and a little liqueur or rum if you like. Pile the fruit back in the shell and let the guests help themselves. They will.



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★ MR. H. F. WATKINS, General Agent, Dept. 33, Great Northern Railway, 507 Royal Bank Building, Toronto, Ontario, Telephone: Egin 3992. I wish to know details about Great Northern Railway transportation to the Pacific Northwest.

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It is pleasant and convenient to reach the important cities of the Pacific Northwest via this fine, fast, air-conditioned Great Northern train from Chicago. You can break the journey west with a 1, 2 or 3 day "stop-off" tour of Glacier National Park. The 3-day tour includes Prince of Wales Hotel in Waterton Lakes Park, Canada. The Empire Builder is a grand beginning for an Alaskan Cruise or California trip. Go west through the States—return through Canada.

## The WINNIPEG LIMITED

is another fine train with air-conditioned equipment—overnight between St. Paul, Minneapolis and Winnipeg. Low Summer Fares.

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FROM THE DANISH STUDIOS of the master craftsman, Georg Jensen, has come this fascinating selection of sterling flatware in open-stock designs.

Throughout the world, the silver designed and created by this craftsman is recognized as the supreme achievement in the silversmith's art. So widely is this recognized that fashionable women everywhere have become keen collectors of Jensen silver.

The vogue for collecting Jensen silver has already

started in Toronto. Those who acquire one or more pieces will delight in adding to their collection until eventually they will have a service of heirloom importance.

In the whole range of Wedding Presents, there is probably nothing which would thrill and flatter the modern minded Bride so much as a gift of Jensen silver. In addition to flatware, gift pieces are suggested such as sweet dishes, tea strainers, bowls and compots and many odd serving pieces including, of course, for the more important gift, tea and coffee services.

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A place of rest and peace amid well appointed buildings and lovely grounds, where the family physician can send his cases needing treatment for nervous or mild mental disorders, knowing that they will receive understanding care from a competent medical and nursing staff.

Rates moderate  
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**12 day cruises for as little as \$85.**

Thrill to the unspoiled beauty of the Gulf of St. Lawrence—fjords that pierce towering hills—multi-colored cliffs and majestic seascapes—Northern lights that defy description—see it all aboard the smartly appointed S.S. Belle Isle, sailing from Montreal every Wednesday and Friday, beginning May 8.

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 accommodations. Revel in the unique "Ship Deck" overlooking ocean. Refined atmosphere. Delicious food. Week-End Offer as Low as \$10. Room, Bath, A.C., Heat, Friday and Saturday thru Sunday—\$12.50 per person, single.

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**SHIPS on the MILD SOUTHERN ROUTE to all Europe**

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 Newly remodeled and repainted Casulich liner. To Azores, Lisbon, Gibraltar, Algiers, Palermo, Naples, Patras, Ragusa, Venice, Trieste.

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**ITALIAN LINE**  
 ADD TO TRAVEL AGENT or 1152 Beaver Hall Hill, Montreal, or 159 Bay St., Toronto.

## —Ports of Call

# FRIENDLY NEWFOUNDLAND

A GREAT many Canadians who are free to seek new recreation fields during the summer months know that Newfoundland lies within easy travel distance, but with so many other invitations to spend their vacations elsewhere, they have simply been putting off the long intended visit to their family neighbour just a few miles away from their eastern doorstep. The mounting desire to fulfill this self-made promise has been intensified by the growing reports of good times enjoyed by their friends and relatives who have tasted of Newfoundland's hospitality and Newfoundland's vacation attractions. They now know it doesn't entail the tiresome journey of many years ago, for newer, more comfortable, and more frequent transportation services are now available. The Clarke Steamship Line of Montreal operates an excellent steamer service during the summer months from Montreal and Quebec, down the St. Lawrence River to Corner Brook, Newfoundland, and to southern Labrador points as well; while the Newfoundland Canada Steamships Ltd., have a first-class steamer on the run between Montreal, North Sydney, and St. John's, the capital of Newfoundland, calling at the French Islands of St. Pierre-Miquelon en route. Also, we can always reach Newfoundland by rail at all times of the year, from any point on the mainland, either in Canada or in the United States.

The trains of the Canadian Railways take the traveller to North Sydney, Cape Breton Island, where connection is made with the Newfoundland Government steamer "Caribou" for the run across the Gulf to Port aux Basques, the western terminal of the Newfoundland Railway. The crossing takes about seven hours and the "Caribou" is quite a comfortable steamer, with stateroom accommodation. Incidentally, the Newfoundland Commission of Government operates both the railway and the coastal steamship services in Newfoundland. There are also, regular steamship connections between Halifax, Nova Scotia, and St. John's, Newfoundland, for the Furness Red Cross Line steamers from New York and the Furness Withy Company steamers from Boston, call in at Halifax en route to St. John's. One of the Newfoundland Government steamers also sails between Halifax and ports along the South West Coast of Newfoundland to St. John's. Thus, it is not difficult to reach Newfoundland, and on arrival there, there is much to do and see.

### FOR FISHERMEN

THE salmon and trout fishing enthusiast is in his element in Newfoundland, for its huge network of inland waters—rivers, lakes and streams—offers an irresistible lure to the keen fisherman.



**HISTORIC COASTLINE.** Cape Bonaville, Newfoundland, reputed landing of John Cabot who discovered Newfoundland in 1497.

There are some 200 salmon rivers on the island, and some of the best sport is obtainable at the fishing centres that lie close to the railway, where easy log cabins, cabins, and even hotels cater to your personal comforts.

The real season for salmon and trout (except rainbow trout) extends from January 15th to September 15th. The open season for rainbow trout is from June 1st to September 30th. An attractive feature about fishing in Newfoundland is that there are no leased waters; the rivers, lakes and streams are open to all resident and non-resident alike. The non-resident licence fee to fish for salmon and sea trout is as follows: \$2.10 per day up to and including four days; \$10.50 from five days to fourteen days; and \$26.00 for over fourteen days and for the season. These licences may be obtained from Government officials at the ports of entry. No licence is required for brook trout fishing.

The period from June 1st to September 15th is recognized as the active fishing season, for the salmon are on the run towards the end of May and the weather is then more conducive to outdoor comfort and enjoyment. It is no exaggeration to state that almost every body of inland water contains trout and to the fisherman whose fancy runs in this direction Newfoundland has much to offer.

### AND HUNTERS

NEWFOUNDLAND was famed at one time for its caribou hunting. The caribou found on the island is an indigenous animal; consequently, the Newfoundland authorities are anxious to preserve the species. In 1925, or thereabouts, fearing that the caribou might be doomed to extinction through ruthless slaughter,



**A NEWFOUNDLAND MEMORIAL.** The bronze caribou in Bowring Park, St. John's, which is a replica of those erected on the battlefields of France, Belgium and Gallipoli. A caribou head is the emblem of the Royal Newfoundland Regiment which served with distinction overseas during the last war.

—Photo courtesy Newfoundland Information Bureau.

unless steps were taken to forestall this possibility, the Newfoundland Government proclaimed an absolute ban on the hunting both of caribou and moose within the island, and the prohibitive measure is still in operation. Strict observance of this law has proved effective, and the caribou herds are getting back to former strength again, and it is quite likely that the fall of 1936 will see the lifting of the ban. Bird game, on the other hand, is plentiful, particularly partridge, snipe, wild duck, wild geese and numerous sea birds. The bird shooting season extends from October 1st to December 20th.

For the person whose vacation interests lie in directions other than fishing and hunting, Newfoundland can provide many diversions. Scenically, Britain's Oldest Colony is equal to all that the mainland boasts of,

the great outdoors, will find a field for the pursuit of his interest.

Hay fever is unknown in the Island, and the seeker after pure relaxation and restful holidaying, will find the answer to his quest in hospitable Newfoundland.

### HIGHWAY PLANNED

AT the present moment, the scope for the use of a motor car in exploring the Island is limited, for Newfoundland, as yet, does not offer the network of highways and byways found on the mainland. Motoring, for pleasure, is more or less confined to the eastern section of the Island—on Avalon Peninsula, where St. John's is situated. Here there are good highways both in the city of St. John's and in its environs, and many interesting points can be reached by automobile around Conception Bay and the lower portion of Trinity Bay, as well as southward along the coast to Trepassay. In all, there are some eight hundred miles of good motoring roads in this section. Newfoundland is alive, however, to the fact that many Canadian and American automobilists are anxious to extend their itinerary eastward from New Brunswick and Nova Scotia, having reached as far as the Maritime Provinces, and the Government has already embarked upon a road-building programme which will embrace, in time, a motor highway all the way across Newfoundland, from Port aux Basques on the west coast to St. John's on the east coast. This new roadway will open up entirely new areas in the Island and will make accessible numerous fishing streams and inland waters hitherto beyond convenient reach of the sportsman. Overnight camps and cabins will be established along the route and it is confidently expected that Newfoundland's travel attractions will be greatly enhanced by the undertaking.

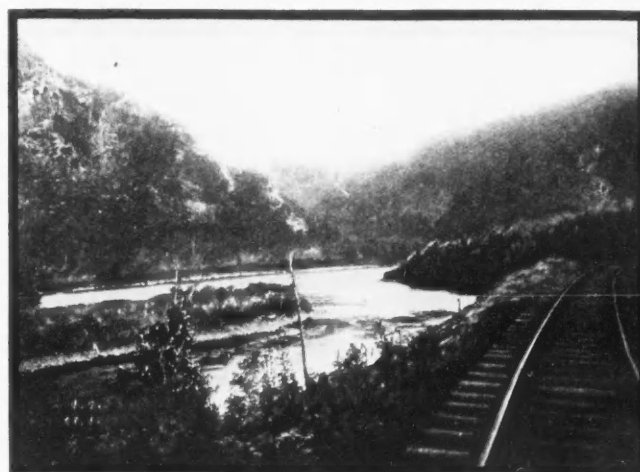
Newfoundland does not experience the extremes of heat and of cold, and during the summer months, particularly in July and August, the weather is all that can be desired—comfortably warm, yet tempered by the cooling sea breezes from the Atlantic, thus ever assuring one of a restful night's sleep.

### TRAVELERS

Sir Montagu and Lady Allan, of Montreal, were in Toronto to attend the Woodbine meet, and were the guests of Mrs. R. J. Christie, and later of Mr. Clarence Robert.

Mrs. C. E. L. Porteous, of Montreal, is occupying her residence on the Island of Orleans for the season, and will shortly be joined by Miss Frances Porteous.

Lady Forget, of Montreal, has left for her residence at Saint-Frevoles-Bains, where she will be joined in



**THE SCENIC HUMBER.** A view up the river from Corner Brook where the beautiful stream parallels the railway running across the Island.

—Photo courtesy Newfoundland Information Bureau.

**RIDE • GOLF • FISH • SWIM • HIKE • MOTOR OR LOAF**  
**at JASPER NATIONAL PARK**  
**IN THE CANADIAN ROCKIES**



## A Glorious Vacation awaits you at JASPER

THE majestic Canadian Rockies have more than beauty to offer for your 1936 summer vacation.

The tonic mountain air will whet your appetite for action. And there's action aplenty at Jasper—a championship golf course at your very door. You can motor over excellent roads to scenes of unimagined splendour; ride trail if you wish; swim in a warmed outdoor pool; fish for speckled or rainbow trout; hike the hills or climb the peaks; or just rest peacefully, forgetting the cares of the world.

Canadian National's Jasper Park Lodge affords delightful accommodation for 650 guests. (Open June 13 to September 15). Rates as low as \$7.00 a day, including room and meals.

Jasper is on the main line of the Canadian National Railways, route of the famous "Continental Limited", daily, between Montreal, Toronto, Winnipeg, Jasper and Vancouver.

For two vacations in one, continue from Vancouver or Prince Rupert on a palatial Canadian National Steamer through the protected Inside Passage to Alaska.

En route to Jasper and Vancouver, plan to stop over at Minaki Lodge, in Canada's famous Lake of the Woods Region. Canadian National serves all Canada from coast to coast and any Canadian National Ticket Agent will gladly furnish full information regarding Jasper, Alaska and vacation resorts in Ontario, Quebec, Nova Scotia, New Brunswick and Prince Edward Island. Low Summer Fares.

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**REST RELAXATION CHANGE**  
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 with excellent meals at reasonable rates.  
 AMERICAN PLAN (room and meals):  
 Room with bath \$5 per day, per person, and up.  
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 On a stay of one full week or longer, there is a 10% discount allowed on the above rates.  
 Canadian money at par, of course.  
 Breakfast on request.  
**THE ROYCROFT INN EAST AURORA, N.Y.**  
 135 miles from Toronto. On Route 16 from Buffalo.

June by Mrs. Pierre F. Casgrain and her family.

Mr. and Mrs. E. R. Aird left Montreal recently by the Colborne, for the West Indies.

Sir Anthony Jenkinson, Bart., has left England in the Duchess of Bedford, on a six months' visit to Canada.

Mrs. E. H. W. Elkington and her three children, Gail, Gay and Diana, have arrived in Montreal by the Montcalm and will be the guests of Mrs. Elkington's mother, Mrs. Arthur Springett. They will be joined in two weeks by Major Elkington, and will leave with him for Victoria, B.C., where they will in future reside.

Mrs. Herbert Carbray, of Montreal, has sailed for England by the Ascania. She will spend the summer in Salisbury, the guest of her son-in-law and daughter, Captain Norman Richardson, R.N., and Miss Richardson.

Major General Sir Theodore Fraser has arrived in Montreal from England by the Montcalm, and will be the guest of his cousin, Miss Haultain, the Cavendish Apartments.

Mrs. Rankine Nesbitt, who has been visiting her parents, Brigadier and Mrs. Victor Anderson, in Ottawa, has returned to Toronto.

Colonel and Mrs. L. J. A. Amyot, of Quebec City, spent a few days recently at the Laurentide Fish and Game Club.

Miss Margaret Sutherland, of Montreal, has sailed by the Ascania to join her sister, Mrs. Alan C. Macdougall, who is at present in England. They

will spend the summer motoring in England and Scotland.

Lady Gordon and her grandson, Master Jimmy Gordon, have sailed from Montreal to spend some time at Torridon, Ross-shire, Scotland.

Miss Nora Dawes, of Montreal, is in Toronto as the guest of Mr. and Mrs. A. H. C. Proctor, and to attend the marriage of their daughter, Miss Sheila Proctor, to Mr. Robert Lawrence Simpson on Monday, June 1.

Mrs. C. W. MacLean, of Mull Hall, Pointe Claire, is visiting Mrs. F. N. Watriss in New York.

Mrs. Warden Gilchrist, of London, England, who was the guest of her sister, Mrs. Franklin Ahearn, in Ottawa, has arrived in Montreal and is visiting her brother, Mr. Jack Lewis, and Mrs. Lewis.

Miss B. Roy, of Cannes, France, was a recent guest of Lady Gordon, of Montreal.

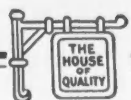
Mr. and Mrs. Hugh Fleming and Mr. and Mrs. Davidson Erwin, of Ottawa, attended the races at the Woodbine. While in Toronto they were the guests of Mr. Clarence Robert.

Miss Emma Poupore, of Toronto, was the guest of Mrs. Nelson Porter, Jr., while in Ottawa.

Baroness Carl Falkenberg has left Quebec City for Ottawa, to be the guest of Hon. and Mrs. Ernest Lapointe.

Judge and Mrs. Ferdinand Roy, of Quebec City, who have been on a world cruise, are returning to Quebec at the latter part of the month.





## Fairweather Frocks

A special group of imported models  
Regular \$37.50 to \$79.50

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A limited number of jacket frocks . . . prints . . . even a few novelty light weight wools . . . ideal for summer festivities or for summer travelling. Women's and Misses' sizes.

## Fairweather Hats

A very special price for some of our latest arrivals in large, small and medium summer hats . . . all head sizes . . . Prices \$7.50 to \$25.

**REDUCED 20%**

*Fairweather's*

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The new Beach all metal electric refrigerator establishes a new standard of value in the field of domestic refrigeration. Combined with its appealing beauty are many exclusive Beach features of unprecedented merit which assure the utmost in refrigeration performance, and permit added conveniences not obtainable in any other make.

**Investigate These Features**  
Super-Speed Frost Chamber, an exclusive Beach feature—provides more storage space and assures greater freezing speed at lower cost.

Jiffy Jar Set—For convenience and practical storage for left-overs.

All metal construction with Contratherm insulation—assures longer life and better performance. And many other features.

OBTAINABLE WITH 5 YEAR PROTECTION PLAN

**BEACH**



**ELECTRIC REFRIGERATOR**

## "BARNUM WAS RIGHT"

The one and only P. T. Barnum is alleged to have said many things that never found their way into our copy-books . . . things to which few of us would wish to subscribe. But he uttered a profound truth when he said: "If you don't advertise your business, the sheriff will."

Firms which intend to stay in business, that is, firms which deal directly with the public, must advertise. By the same token, it is a sign that they mean to stay in business when they do advertise. For they are offering, through advertisements, their very best values.

You, the customer, will decide whether or not they ARE values. If they are not, it is "just too bad" for the firm that claimed they were. Don't you see, therefore, that no merchant can afford to misrepresent himself or his goods in print? Advertising merely magnifies a misrepresentation—brings the fatal day nearer.

Naturally, then, you can trust the advertisements in this publication. You can believe that the businesses behind those advertisements want your trade, and are willing to earn it—with honest values and fair treatment. Read the advertisements. Patronize the advertisers. It is to your selfish interest to do so.



TO BE MARRIED. Miss Irene Thelma Petersen, daughter of Mr. Niels G. Petersen, of Aarhus, Denmark, and Mrs. Petersen, Toronto, who is to be married to Mr. Frank Victor Charles Hewett, son of Mr. and Mrs. Ernest Hewett, Toronto, on May 30th.

—Photo by Stephen Jones, Toronto.

## SOCIAL WORLD

LOVELY Woodbine was at its smiling best for the seventy-seventh race for the King's Guineas. The Members' Enclosure, with its green lawns, flower-decked boxes, and magnificent view of the track, with dimpling blue Lake Ontario in the distance, formed one of the loveliest imaginable backgrounds for a gala turnout of Toronto society. True, the brilliance of the day was somewhat subdued by the absence of the Vice-Regal party from the event, due to Court mourning.

Candid Camera Shots: Mrs. A. H. C. Proctor, very smart in a black suit, with wide sleeves banded with fur, gardenias, pearl and gold hoop earrings, and a small black hat, placing her bet at the mutuels. . . . Lady Kemp stepping from her car at the Members' Entrance, very distinguished in black with pearls and a small, pill-box hat. . . . Sir Montagu and Lady Allan, of Montreal, talking to Mrs. R. J. Christie. They had come from a luncheon in the Toronto Hunt Club, given for them by Mrs. D. C. Durland. . . . Mrs. Halden Meek, president of the Toronto Junior League, chic in a dramatic black ensemble, with black pinks and white gloves to enhance its simplicity, talking animatedly to friends on the Lawn. . . . Mr. Peter Marshall receiving congratulations on having won "The Daily Double." . . . Mrs. de Bruno Austin, Miss Nella Jeffries, Mrs. F. J. Mallett, Mr. Ronald Meltzer, in a little group on the steps, Jane Mallett going off with the advice that one must "concentrate" in order to win at the races. . . . Colonel and Mrs. K. R. Marshall receiving many guests in their box between races. . . . Hon. W. D. Ross, all in grey and wearing a grey topper, talking to friends in the paddock.

Among those present were: Mrs. J. Harold Craig, Mrs. R. J. Christie, Mr. and Mrs. Percival Leadley, Mr. and Mrs. Gerald Strathairn, Mrs. Edward Dunlop, Mr. and Mrs. A. H. C. Proctor, Miss Sheila Proctor, Miss Nora Dawes of Montreal, Mr. and Mrs. Jack Osler, Mrs. Glenholme Moss, Mrs. Stanislaw Gzowski of Montreal, Mrs. George Mann, Mr. and Mrs. W. R. Watkins, Miss Barbara Barrett, Miss Peggy Waldie, Miss Dorothy Cluff, Miss Helen Smart, Mr. and Mrs. Arthur King, Miss Lilian Lee, Mrs. Edmund Bristol, Mrs. F. H. Plippen, Mrs. Henry Alloy, Mrs. McMurich, Mrs. D. C. Durland, Mrs. A. E. Dymont, Mr. and Mrs. J. P. Watson, Colonel W. H. Price, Mr. and Mrs. Charles Beatty, Mr. and Mrs. Charles Gentles, Miss Mary O'Connor, Miss Eldred Macdonald, Mrs. Hilary Robinson, Mr. Henry Macdonald, Mr. and Mrs. Patterson Farmer, Colonel and Mrs. T. C. Evans, Mrs. R. H. Brotherhood, Mr. George Wilson, Mrs. Harry Belt and Mrs. Hugh Mackay of Winnipeg, Mrs. C. D. Bertram, Miss MacLennan, Mr. and Mrs. Alfred Beardmore, Mr. and Mrs. Wallace Barrett, Mrs. William Mulock, Mr. and Mrs. F. K. Morrow, Mrs. H. E. Moore, Mr. and Mrs. Guy Rogers, Mr. and Mrs. H. O. Dougall, Major and Mrs. Palmer Wright, Major and Mrs. Hilton Wilkes, Mr. and Mrs. Rupert Bain, Mr. and Mrs. Alex. Mitchell, Mr. and Mrs. John David Eaton, Mr. and Mrs. Ross Taylor, Sir James Dunn, of London, England, Mr. Gordon MacGillivray, Mr. and Mrs. E. H. Watt, Mr. and Mrs. Arthur King, Mr. Werner Haag, Mrs. Forbes Ross, Miss Mary Louise McCrea, Miss Betty Heighington, Miss Betty Connell, and many others.

Mrs. D. Leighton McWhinney held her post-nuptial reception recently at her new residence, Forest Hill Road, Toronto. Her mother, Mrs. Harold Mara, assisted her in receiving the many callers, and Miss Isabel Nairn and Mrs. Boyce Thompson poured tea and coffee. The tea assistants included Miss Lorna Mara, Mrs. Halden Meek, Mrs. Douglas Catto, Mrs. John McMaster, and Miss Evelyn Foster.

THE annual birthday tea of the Glen Mawr Old Girls' Association was held in Toronto on May 28th, at the home of Mrs. S. H. Logan. It was a "Be your age—and pay it!" party—a penny for each year, which went to the enrichment of the association's treasury—and everyone confessed nobly! About the same

time the Annual Report came out, and it is one of the most delightful and interesting documents of its kind we have seen for some time. Giving a very complete and businesslike report of the finances of the Association, it also tells in vivid and amusing style about the activities of the Association during the year. We liked especially the list of news about Glen Mawr Old Girls and their activities.

MR. WERNER HAAG, Canadian Attaché of the organizing committee for the eleventh Olympiad at Berlin, entertained on the afternoon of May 15, at the Ritz-Carlton at a cocktail party, in honor of the Commander and officers of the German cruiser, Emden. The string band of the Emden played during the afternoon.

The invited guests included the German Consul-General and Mrs. Kempff, Mr. and Mrs. A. J. de Lotbiniere, Lieut. Colonel and Mrs. Victor Whitehead, Lieut. Colonel and Mrs. E. Buchanan, Mr. and Mrs. Eric Reford, Mr. and Mrs. J. G. McConnell, Mr. and Mrs. W. Angus Mc, and Mrs. Rodger, the Misses de Lotbiniere, Miss Lois O'Brien, Miss Madeline Beaubein, Miss Naomi Molson, Miss Betty Ogilvie, the Misses Wills and Norah Magee, Miss Yvonne Ekorts, Miss R. Macdonald, Miss Jacqueline Outmet, Miss Nora Dawes, Miss Alicia Morris, Miss Barbara Ramsay, Miss Jane Johnson, Mrs. A. Ogilvie, Consul A. M. Schlumpert, Colonel W. A. Bishop, V.C., Mr. and Mrs. Frederic Bindoff, Mr. and Mrs. Murray Chipman, Mr. and Mrs. M. J. Ballantyne, Mr. and Mrs. Aird Nesbitt, Mr. and Mrs. P. de F. Ethier, Mr. Lyell Doucet, Mr. Leslie Collins, Mr. Roger Backhouse, Mr. James Oppie, Mr. Garner Currie, Mr. John Cape, Mr. Dick Temple, Mr. and Mrs. Henri Lafleur, Mr. Dick Eve, Mr. and Mrs. Richard Price, Mr. and Mrs. C. F. Ballantyne, Major and Mrs. James Baxter and Lieut. Colonel Irwin Eakin.

### ENGAGEMENTS

The marriage of Sheila Morne, daughter of Mr. and Mrs. A. H. C. Proctor, of Toronto, to Mr. Robert Lawrence Simpson, son of the late P. W. Simpson and of Mrs. Simpson, of New York, has been arranged to take place on Monday afternoon, June 1, at half past two o'clock, in St. Simon's Church, Toronto.

The engagement has been announced of Miss Ruth Eleanor Holden, niece of Mrs. Harris H. Fudge, of Toronto, to Mr. Lawrence Herbert Austen Pilkington, second son of Mr. R. A. and the Honorable Mrs. Pilkington, of St. Helen's, England. The wedding will take place in June.

Mr. and Mrs. William F. McLaren, Balquhider, Ancaster, announce the engagement of their daughter, Almyth Chilton, to Mr. John Philip Loosmore, son of Mr. H. H. Loosmore and the late Mrs. Loosmore.



LORINE IVEL, elder daughter of Mr. and Mrs. Charles Peebles, Hamilton, whose engagement has been announced to Mr. Frank Williams Hunsnett, Toronto, eldest son of Mr. and Mrs. Frank Hunsnett. The marriage will take place in Hamilton the latter part of June.

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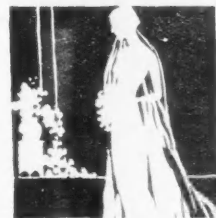
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TORONTO

## ASHLEY & CRIPPEN



PHOTOGRAPHS

The wedding will take place at St. John's Church, Ancaster, June 6.

Mr. and Mrs. John P. Patterson announce the engagement of their niece, Marion (Marny) E. Young, to Mr. John T. A. Gamble, son of Mr. and Mrs. Wm. P. Gamble, Guelph. The marriage will take place June 20th.

The engagement is announced of Miss Peggy Boulton, daughter of Mrs. Gerald D. Boulton, of Toronto, to Mr. James Graham Parsons, son of Mr. Parsons and the late James Graham Parsons of Stockbridge, Massachusetts, and New York.

### MARRIAGES

The marriage of Gaynell Frances, daughter of Brig. General F. S. Meichen, and of the late Mrs. Meichen, to Dr. Aubrey K. Goddes, of Montreal, son of the late J. H. Goddes and of Mrs. Goddes, of Truro, N.S., took place May 16, in St. George's Church, Montreal.

The marriage was performed at the Church of the Ascension, New York City, of Jane Eleanor Parker, daughter of Mrs. Arthur Bower Mitchell, of Belleville, Ont., and Raymond, Puerto Rico, and niece of the late Sir Gilbert Parker, to Dr. James Harold Forrester, of Toronto, son of Mr. and Mrs. George Forrester.

The marriage of Norma Claire Rogers, only daughter of Mr. and Mrs. Farmer M. Rogers, St. Catharines, Ont., and Mr. William Dudley Brooks, only son of Col. W. C. Brooks and Mrs. Brooks, "Oakdene," Brantford, Ont., took place in St. Paul Street United Church, St. Catharines, May 16.

The marriage of Grace Cicely (Blossom), elder daughter of Mrs. Willets and the late Colonel C. R. E. Willets, D.S.O., and granddaughter of the late Dr. Archibald MacMechan and Mrs. MacMechan, of London, England, and Captain Hugh Montrose Stephen, R.C.A.M.C., eldest son of Rev. J. W. Stephen and the late Mrs. Stephen, of Kingston, Ont., took place quietly May 21, in All Saints Cathedral, Halifax.

### TRAVELERS

Mrs. A. M. Tessier, of Quebec, is the guest of Mrs. Hayward Dansereau, at Montreal.

Miss Margot Lacoste, who has been the guest of Miss Gertrude Mann, of Toronto, has returned to Montreal. Miss Mann also has left for Montreal to visit her aunt, Mrs. Arthur Drummond.

Captain and Mrs. Victor Blundell, of London, England, have sailed for

Canada, accompanied by their young son and daughter, to visit Mrs. Blundell's parents, the Hon. Hugh Guthrie and Mrs. Guthrie.

Mr. and Mrs. Charles Cunningham Smith, of Kingston, Ont., have sailed from Quebec by the Colville the Scot, to attend the marriage of their son, Captain George Noel Cunningham Smith, to Miss Mary Donaghy, which is to take place on May 28, at Ballroom, Stirlingshire.

Mr. and Mrs. William Van Thorne, of Montreal, have returned from England and the continent where they have been for the last few months, with the Hon. R. B. Bennett, Prime Minister, and his family. They are now visiting Mrs. Van Thorne's mother, Mrs. Matthews S. Barnard, of Toronto. They will reside in Montreal.

Mr. and Mrs. W. A. Home, of Quebec City, who have been visiting their son-in-law and daughter-in-law, Mr. and Mrs. Noel Martin in Gloucester, and who later spent some time in London, have returned to Quebec.

Dr. J. E. Wright, B.S.S., of West Hill, attended the Royal Society meetings in Ottawa, and was accompanied by Mrs. Wright.

Mrs. D. B. Fitch of Toronto has left for New York and will spend the summer in England and Scotland.

Major and Mrs. R. E. Hobbins, of Montreal, have left for their residence in Halifax, N.S., where they will spend the summer.

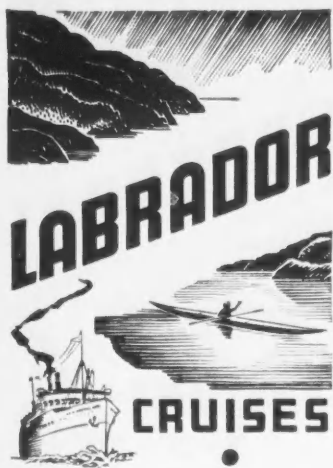
### New Canadian Home

(Continued from Page 12)  
country is the absence of a fireplace, of the designs submitted in the type of plan with a small living room or parlor and an equally small or smaller dining room. By eliminating central hall and wasteful passages competitors have concentrated on large living rooms in which an effect of even greater space is given by a dining-room as part of the living room or at right angles to it without a dividing partition. In the judges' opinion such a solution of the house design in the \$2,500 to \$3,000 class is thoroughly sound and proper.

It might be pointed out that no reasonable objection can be found against the flat roof. Properly insulated it is perhaps the best roof for our climate and the least difficult and costly to maintain.

The jury concentrated on plan but so far as the external treatment was concerned the judges approached the problem without any preconceived idea of style. Marks were given for charm and suitability regardless of style and the jury members, with widely differing tastes, were unanimous in their choice of the plan deserving the Grand Prize.





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REMEMBER WAR DEAD. Mr. Duff Cooper, Secretary of State for War, and Chairman of the Imperial War Graves Commission, unveiled a tablet in Arras Cathedral on May 10th, to the Empire's million dead. He also toured the Flanders Battlefields. Above, Mr. Duff Cooper being received on his arrival at the Cathedral. On his right is M. Besse, Minister of Pensions for France.

—London Letter

## ARMS AND THE PRESS

BY P. O'D.

May 11th.

ONE of the queer twists in human nature, one of the many queer twists, is the conviction of the ordinary man that his daily newspaper is owned and controlled by a gang of grafters. The editor and the editorial staff he may be willing to accept as reasonably decent and truthful human beings. But as to the motives of the proprietors or newspapers he has no doubts at all. They are rotten, politically, financially, and every other way. And yet this is the very fellow who reads his newspaper through from front page to last, and goes about quoting its statements and opinions all day long.

Take this matter of the present movement in this country for rearmament and defence, and especially for a large increase in the Royal Air Force. Why are The Daily Mail and The Daily Express so keen for it? Ask the ordinary man—he knows. Because, of course, Rothermere and Beaverbrook and the others are tremendous holders of stock in the great armament firms. Naturally they are out to secure the Government into huge purchases of equipment. It is good business.

In view of the prevalence of this suspicion—and not only among the red-faced cynics in the "pubs"—it is a good thing that the Hon. Esmond Harmsworth, the chairman of the Newspaper Proprietors' Association, should have appeared before the Arms Commission last week, and made the statement he did. Also it was a good thing that it should be given the publicity it has received.

Mr. Harmsworth, who was speaking for some 27 national newspapers, stated that none of the members of the Association was connected, either directly or indirectly, with any armament firm; that none of the majority shareholders of the newspapers was personally interested in any armament firm; and the amount of advertising carried by national newspapers for the armament firms was entirely negligible.

That would seem to be fairly complete. In addition, Mr. Harmsworth pointed out that there was no industry in the country which was so adversely affected by war and war-worship as the newspaper industry. Circulation might go up as a result of popular anxiety. But everything else went up, too: wages, materials, costs of every kind. The only thing that would come crashing down was advertising, and it was on their advertising that newspapers depended.

So, after all, the ordinary man could be quite so dramatic about it for a little while.

MARRIED men, generally, will probably be pleased to know that their affections are a valuable asset, and that any tampering with them is a defensible matter in the eyes of English law. Only the other day an offended wife collected something over £3,000 in damages, because the affections of her husband had been alienated from her. The charge, cynics might say, was that he had been "enticed."

Considering that the wanderer from the domestic path was well on in his sixties, the price seems a little high. By that age, it is only reasonable that the affections of a husband should be marked down a little, especially as the wife herself was quite middle-aged. And so was the charm.

There have been a good many of these "enticement" cases in the past couple of years, beginning with one which became famous as the "Helen of Troy Case." Helen being the wife of a village grocer, and the gay, wicked Paris the elderly local doctor. There were heavy damages in that case, too.

The latest case of this sort was tried last week here in London. But the plaintiff, another husband, claiming that his wife had been "enticed" by a movie-director, was not of luck. The Court was frankly contemptuous, described the whole affair as "grotesque" and expressed the hope that something would be

done to prevent such cases coming to trial in future. They offer far too good an opportunity for successful blackmail.

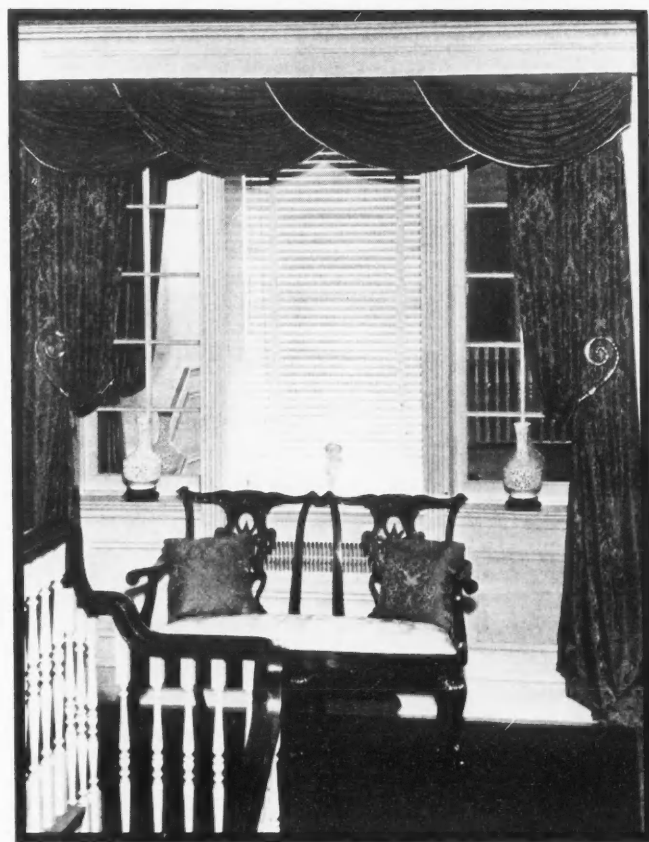
As a matter of fact, these "enticement" cases have become a very profitable legal racket. In an ordinary divorce suit you have to prove certain specific acts of wickedness. In an "enticement" case you don't. All you have to show is that the offending husband or wife has been led to place his or her affections elsewhere. In that way you can collect the huddle and keep your errant spouse at the same time. You may even, with a little care and luck, be able to "set" him or her again. A moderately attractive partner might thus be made a steady source of income.

It is a good idea, but I am afraid that it soon will prove unworkable. The whole question of "enticement" cases is to come up in Parliament, and there is very little doubt that this absurd law will be repealed or greatly modified. Enticement will thus be restored to its old and proper place as a purely amateur sport—oh, well, more or less purely.

TALKING of grafts, ramps, and all that jolly sort of rot, one of the minor rackets of London is the "corkage" racket. Formerly it was confined almost entirely to restaurants and hotels, but now, they say, it has spread to clubs and private houses, every place, in fact, where wine is drunk, and especially champagne and brandy. Choleric colonels have already begun to write letters to the Press about it; and there is an agitation to have it stopped, if not by law, at least by agreement.

But it is one of those odd little rackets of craft which are sometimes much harder to stop than big ones. The idea is delightfully simple. You buy a bottle of "fizzy," having taken your girl friend—or, to keep this discussion on a really high plane, let us say your wife—out to dinner. The waiter "pops" the bottle for you, and then later on "pops" the cork for himself. If it is an expensive brand, he may get as much as half-a-crown for it from the agents for the wine.

To make the business even simpler for the wily waiter, there are now "corkage" brokers to buy the corks from him and make their own terms with the various wine-merchants. The waiter gets a little less for his corks, but he is spared the necessity of running all about town with them.



IN THE UPPER HALL OF MRS. JOHN AGNEW'S NEW HOME in Forest Hill Village, the walls are of antique ivory and the rug is of deep ruby. Ivory silk rope edges the swag valance of the ruby-hued pure silk damask draperies, which are tied back with crystal scrolls. Mirrors flank the Venetian-blinded window and exquisite Chinese porcelains top the wide sill. The fine Chippendale piece is upholstered in antique ivory Italian brocatelle.

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Shop, Fourth Floor, Yonge. White real silk crepe lingerie with beautiful lace, four pieces, exquisite individual set. \$49.50. Import Lingerie

Shop, Third Floor, Queen. Stunning engagement ring—solitaire, two baguettes, ten round diamonds on platinum. \$485.00.

Platinum wedding ring, six baguettes, twelve round diamonds. \$175.00—Jewel Shop, Main Floor, Yonge. Correct announcements and invitations—Stationery, Main Floor, Albert.

And the broker must do fairly well out of it, or there wouldn't be so many of them at the game.

Naturally the whole idea of the payment of "corkage" is to induce waiters to push certain brands. It is an old custom, going back fifty or sixty years, at least. But it used to be a matter of pennies, while now it is a matter of shillings. Nobody would bother if the wine-merchant put the cost down to sales-promotion. But he doesn't. He put it down on the bill, and the poor imbecile of a consumer pays for cork and all.

As to stopping the rot, the easiest and best way would be for the wine-merchants to agree not to pay "corkage." But they won't agree. They know one another too well. Another way is for hotel managements to insist on corks being turned in and destroyed. I believe a few of them do, but it is said not to work very effectively. Waiters have much more intelligence than you might imagine from their expression.

The third and probably the most effective way would be for the customer to put the corks in his pocket, and so around later and cash in on them himself. Or he might hand them to the waiter in lieu of a tip. But that is the sort of thing that really does take courage. And yet

there was a famous Irish peer who used to keep them.

"He is dead now—probably poisoned—but he got away with it for a great many years. He always pocketed the corks—his own and any others that happened to be lying about. As he was not only an earl but also a millionaire, his friends

professed to regard this as a delightful eccentricity. There is no record of what the waiters thought. But it is likely that they thought a lot and perhaps did a few things, too. Waiters have their own way of getting even. It is not a system I would advise the ordinary man to try.



## "There's my Daddy Now!"

Little Joan has just heard the tinkle of the telephone bell. Daddy—away from home a lot on business—is so wrapped up in little Joan that he calls home by Long Distance every evening and listens to some of her chatter before she's put to bed. And Joan is on the lookout every evening for Daddy's call.

● Expensive? Not at all; Night Rates begin at 7 now, and they are surprisingly low, especially on "Anyone" calls.



Courtesy: Thomson-Smith Co., Ltd.



# SATURDAY NIGHT

SECTION III

BUSINESS

FINANCE

GOLD & DROSS

INSURANCE

THE MARKET

Safety for  
the Investor

TORONTO, CANADA, MAY 30, 1936

P. M. Richards,  
Financial Editor

## NEW BLOOD NEEDED IN NEWSPRINT INDUSTRY

Conditions Still Deplorable and Little Real Progress Being Made—Resuscitation Requires More Than Financial Acuteness—Publishers' Problems Must Be Studied

BY R. O. SWEZEY



HOW SALMON ARE CAUGHT ON THE RIVER SEVERN, ENGLAND. The fish, swimming against the stream, are caught in the conical shaped "putchers" or basket traps and collected when the tide recedes. Especially good hauls are reported this season.

SINCE one-half the entire newsprint industry of Canada is still in bankruptcy, or its equivalent, and, as this state has held sway for some four or five years, is it not time to introduce some entirely new force and personality to the situation in order to reconstruct and reorganize this vast enterprise that lags so alarmingly?

The replacement value, less depreciation, of the bankrupt paper companies of Canada, including forests at values as of twenty-five years ago, is no less than \$160,000,000. To this should be added some \$50,000,000 as a low value for 600,000 horsepower of hydro-electric energy used to operate these mills—two hundred and ten million dollars' worth of newsprint paper plants and accessories, which for five years or more have not earned a dollar of interest on the investment! Nor has the other half of the industry, which precariously hangs on to solvency, earned interest on its investment these several years.

Four hundred and twenty million dollars, at a low valuation, thus remains tied up in an industry without interest, and mainly because the mental resources of the country, for some mysterious reason, appear inadequate, or at least far inferior to the natural resources of the country.

NEWSPRINT paper today is selling at a price lower than it sold in the year 1913, despite the present higher cost of pulpwood and other primary products. With several of the mills, remoteness of remaining forest stands and mounting costs of pulpwood provide a problem which is not attracting the alarmed attention that it should, and probably because there are few responsible leaders left in the industry.

To help manufacturers in their distress of the past few years provincial governments, who own the forests, have been charging only nominal stumpage rates. Were these charges rated commensurately with the need for proper care and protection of the forest, not only would all Canadian mills fail to earn any interest on investment, but an annual out-of-pocket loss would be the result.

The nominal price of paper delivered to publishers this year is \$41.00 a ton, but the real price, due to inferior salesmanship, is \$38.00 to \$39.00, with some contracts at even lower prices. Assuming power cost at the low price of \$12.00 a horsepower, and pulpwood at \$8.50 a cord, newsprint paper cannot cost less than \$29.00 a ton, including an inadequate allowance for depreciation and none for depletion of forest, not to mention inadequate stumpage rates. To this must be added freight charges of \$5.00 to \$8.00 a ton, thus leaving little or nothing for interest on investment.

Bear in mind also that the foregoing cost figures are for ideal mills only, and they assume almost faultless management—something extremely rare in the whole history of pulp and paper manufacture, for each company, again and again, has been subjected to tender-foot methods of operation—particularly in woods departments and in extravagant administration charges.

THE early reorganization of defunct paper companies may now be expected, but more intelligence must be applied to the problems than is required by mere readjustment of securities and appointment of new boards of directors composed mainly of financial experts. The future success of this industry demands immediately a new sense and direction of salesmanship that can understand and make proper allowance for the problems of the publisher. It also demands acknowledgment of the fact that the level attained by the industry as a whole determines the success or failure of individual companies.

Perhaps the most important and constructive event that has occurred in this industry in the past ten years is the recent entry into it of Mr. C. H. Carlisle, Chairman of the Board of the Goodyear Tire & Rubber Company of Canada. Men of his experience and influence have been sorely needed.

Forests have been mismanaged, salesmanship has been deplorable, financial structures are a nightmare, so, may we welcome new blood and beware of old pitfalls.



RECENT weakness in the stock market was not, apparently, due to the current earnings showing of business itself, as earnings have been holding up well and the future looks reasonably promising. Business analysts are forecasting that U. S. industrial production in the second quarter of 1936 will be some 20 per cent. higher than last year, as against an average gain of 10 per cent. in the first quarter. Higher costs, particularly the expenses of social security taxes, will partly offset the influence of this increased business, but earnings are expected to show a wider percentage gain than they did in the first quarter. Canada's industrial production has also increased moderately this quarter. Growth in Canada's foreign trade is particularly encouraging. Exports in the first four months of 1936 were up 25 per cent. over last year, and imports 11½ per cent. There is a lot of talk about "profitless prosperity" due to high taxes, but there is no evidence that this has been a real factor in depressing prices.

THOUGH high taxes are unquestionably acting as a brake on recovery, and give rise to doubt as to the degree of improvement possible under such conditions, business is undoubtedly expanding as the result of the growth in public purchasing power evident over the past year or so. One of the most interesting features of the current business picture is the increased activity of the durable goods industries. At the low of depression the industries producing "quick consumption" goods made the best showing; now the durable goods producers are advancing faster. Sales of such products as vacuum cleaners, ironing machines, washing machines, radios, electric refrigerators, furniture, and rugs and carpets are showing steady gains. European travel increased 8 per cent. last year, and reservations to date indicate an increase of perhaps 20 per cent. more this year. Sales of higher-priced cars constitute an increasing percentage of total sales. The only seriously discouraging feature is the failure of the construction industry to make headway. Building permits in April actually declined almost 50 per cent. from a year ago, though the April, 1935, figure included permits for a number of public buildings.



IN A Gold & Dross item last week we suggested that a combination of common stocks and real estate might constitute a better hedge against inflation than common stocks alone. What is the outlook for building and real estate? We all know that there is a great deal of building to be done sometime, to provide for depression-accumulated needs that will become more evident as recovery proceeds. Roy Wenzlick, U. S. real estate authority, has written and Simon & Schuster have just published a book called "The Coming Boom in Real Estate." As the title indicates, this book says that more than mere recovery is ahead and furthermore it tells us what to do about it. It asserts that business recovery and rising purchasing power are now causing renewed demand for separate housing by families who "doubled up" in depression. There is also a very large potential demand for accommodation for newly-married couples, who have postponed marrying in depression years. This "reserve" of unmarried people is three times a great as ever before, says Mr. Wenzlick. Release of even a portion of this reserve would create the greatest housing shortage ever experienced. A housing shortage will be the first stage of the real-estate boom. Rents will rise and people will begin to buy houses for speculation rather than use. As rents continue to rise, people will turn to building. Then will come demand for more office space and commercial buildings. This is the final phase of the boom. Soon after commercial building activity reaches its peak, the boom will begin to subside. Vacancies will again increase and rents will drop. All indices will again turn sharply downward. However, that period is probably ten years distant, according to Mr. Wenzlick.



WHAT to do about it? Mr. Wenzlick advises people holding real estate to continue holding it, farm as well as urban property, though the latter will probably show more appreciation. He recommends home owners to refrain from paying off the mortgage, and suggests instead that they buy a second house with a mortgage on it; rent the latter until the height of the boom, then sell it. The time to sell will be when everyone is convinced that real estate is the best of all possible investments. Renters should buy a house with a big mortgage, or acquire one with a long-term lease. He says that though mortgages are now a safer investment than at any time in the past fifteen years, if he owned mortgages today he would sell them or trade them for slim equities in small single-family houses or duplexes.

## PRICE FIXING NOT THE REMEDY

Trouble With Price Fixing Is That It Logically Leads to Impossible Degree of Regulation By Government

BY WALTER LIPPMANN

LOOKING at the headlines, which announced that there were three opinions of the Supreme Court, many a man must have said to himself that this is coming to be very confusing. But after he has read the opinions he will find that the court divided three ways not on the central question of the powers of Congress but on some rather subtle and complicated lawyers' questions as to when the court ought to decide what those powers are.

The Guffey Act as it came from Congress was divided into two parts. In one, the Federal government was given the power to fix the price of coal; in the other, wages and labor conditions. Now when those two parts of the act came before the court what happened, speaking broadly, was this: five justices held that the regulation of labor was unconstitutional; the Chief Justice agreed with them in a separate opinion; three justices refused to pass on the question, arguing that labor had not yet actually been regulated and that there was no case before the court. What the minority would have decided if they did believe there was a case, we do not know. They might have agreed with the majority. In any event, we know that the Federal regulation of labor conditions in mining and manufacturing and agriculture is unconstitutional in the opinion of at least six justices, possibly in the opinion of all the justices.

On the other part of the act, which fixes prices, the situation was reversed. The Chief Justice and three others held definitely that this part of the act was constitutional. The majority, on the other hand, held that they did not have to decide that question, because the act as a whole had already been destroyed by the labor provisions. No one can be sure, therefore, what the court would decide about price fixing.

Thus the majority rendered an opinion on labor and none on prices. The minority rendered an opinion on prices and none on labor. Only the Chief Justice rendered an opinion on both, holding that prices could be regulated and that wages could not be regulated.

The arguments in the court turned almost entirely on the question of what the court had to decide at this moment. It was on that question that it split three ways rather than on the more fundamental question of what Congress has the power to do.

THE door is, therefore, open, but not very wide open, to a law fixing prices but not wages. There is, of course, room for an honest difference of opinion as to whether price fixing is the way to deal with the admitted evils of the coal industry. But it is hard to see how there can be much difference of opinion about the labor provisions which have been knocked out. They provided that when coal operators who produce two-thirds of the national tonnage make an agreement about the hours of labor with union officials representing half the miners, that agreement is the law for everybody in the United States. They provided, also, that the wages agreed upon in any

district by producers of two-thirds of the coal and representatives of half the miners, are the law for everyone in that district. This seems to me a most vicious example of handing over to private interests the power to make laws.

On what principle of democratic government can a thing of this sort be defended? Under this proposal a group of coal operators and labor officials were empowered to meet once a year, to meet anywhere, to meet in secret, without records of their proceedings, and to say how long and for what wages coal miners shall work throughout the United States. No one who did not belong to the dominant group of operators or miners, whether in the industry or outside, was entitled to be heard or even to hear how those great questions were being decided. The laws they enacted did not have to be debated in Congress or voted in Congress or signed by the President.

The price-fixing sections, which may conceivably be constitutional, did at least show a decent respect for the processes of democratic government. The prices were at least to be fixed publicly by a government commission and not privately by some coal operators and labor leaders.

The question about this section, apart from that of its constitutionality, is whether the evils of the industry can be dealt with by this method. It is a complicated question. But if the evil is cutthroat competition, because too much coal is produced, there is reason to doubt whether it can be cured by fixing minimum prices. Are we likely to have less production because we guarantee a higher price? It does not seem likely. It seems much more likely that price fixing would lead inevitably to the fixing of production: that if the government says coal must sell at

(Continued on Page 21)

## BUSINESS AND MARKET FORECAST

BY HARUSPEX

THE PRIMARY OR LONG TERM TREND OF STOCK PRICES HAS BEEN UPWARD SINCE JULY 1932.

Market volume has recently shrunk to about 700,000 or 800,000 shares daily. The Industrial and Rail averages have managed to keep well above their critical April 29th lows. These two market factors seem to be negatively favorable. Until the market, however, has experienced a continuation of the current low volume of trading and later breaks out on the up side with significantly larger volume, it is not to be trusted. If market history counts for anything, we should expect a more substantial correction of the market rise from March 1935 to April 1936 than has yet occurred. We can only repeat and re-emphasize the warnings which have been appearing regularly in this forecast—avoid purchases either on a speculative or an investment basis until a dependable signal appears that the downward trend which set under way on April 4, 1936 has been definitely reversed. We shall tell you when this appears and at what point in the averages to buy.

### DOW JONES AVERAGES—NEW YORK STOCK MARKET

	Industrials	Rails
A—Bull Market started .....	July 8/32 41.22	July 8/32 13.23
B—Last Important High Points .....	April 4/36 161.99	Feb. 20/36 51.27
C—Closing Prices .....	May 22/36 149.58	May 22/36 44.50
D—Last Important Low Points .....	Apr. 29/36 143.66	Apr. 29/36 42.30

Average daily volume—6 days ending May 18, 1936 ..... 822,000 shares  
Average daily volume—6 days ending May 22, 1936 ..... 720,000 shares



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A Dividend of One and Three Quarters per cent. (1 3/4%) has been declared on the Preferred Stock of DOMINION TEXTILE COMPANY, Limited, for the quarter ending 30th June, 1936, payable 15th July, 1936, to shareholders of record 30th June, 1936.  
By order of the Board,  
W. A. EVERSFIELD,  
Asst. Secretary,  
Montreal, May 20th, 1936.

**DOMINION Textile Co. Limited**  
Notice of Common Stock Dividend  
A Dividend of One Dollar and Twenty-five cents, \$1.25, per share has been declared on the Common Stock of DOMINION TEXTILE COMPANY, Limited, for the quarter ending 30th June, 1936, payable 2nd July, 1936, to shareholders of record 15th June, 1936.  
By order of the Board,  
W. A. EVERSFIELD,  
Asst. Secretary,  
Montreal, May 20th, 1936.

The Montreal  
Cottons Limited

NOTICE IS HEREBY GIVEN THAT A QUARTERLY DIVIDEND OF ONE AND THREE QUARTERS PERCENT (1 3/4%), borne at the rate of seven percent (7%) per annum, has been declared upon the preferred stock of the Company, and cheques will be mailed on the fifteenth day of June next, to shareholders of record at the close of business on the 30th day of May, 1936.

By order of the Board  
CHAS. GURNHAM,  
Secretary-Treasurer  
Valleyfield, May 20th, 1936.

Hollinger Consolidated  
Gold Mines Limited  
DIVIDEND NUMBER 280

A regular dividend of 1% has been declared by the Directors on the Capital Stock of the Company, payable on the 16th day of June, 1936, to shareholders of record at the close of business on the 1st day of June, 1936.

DATED the 23rd day of May, 1936.  
I. McIVOR,  
Assistant Treasurer.

GOLD & DROSS

It is recommended that answers to inquiries in this department be read in conjunction with the Business and Market Forecast appearing on the first page of this section.

DOMINION BRIDGE ATTRACTIVE

Editor, Gold & Dross:

Some of my friends have been advising me to buy some of the common stock of the Dominion Bridge Company. They base their views on the announcements that this company has received some important contracts lately and that earnings for the present year should show a very considerable increase. I have never owned any of this stock and I am unfamiliar with the company's record. Would it be asking too much to request you to supply me with the earnings and dividend record in recent years? I understand the company has not been earning the dividends it has been paying, so I assume this means a strong financial position. Is there anything in the company's record which would lead to the belief that the dividend might be increased if earnings rise materially? In short, do you think this stock is a fair current buy?

K. M. R., Cornwall, Ont.

I think that Dominion Bridge common is definitely attractive. The current yield, of course, is not high—3.2 per cent. at 37 with the dividend of \$1.20 annually—but I think it is quite a reasonable assumption that dividends will be increased as earnings permit in view of the well-known generous policy to shareholders which the company has always pursued. It may be, of course, that a desire to replenish the drains on surplus occasioned by payments in recent years may temporarily delay such a move, but the general prospects I consider extremely bright as the company's position, even at the close of the depression, remained very strong.

It is definitely known that not only did the company's income show a marked upturn in the early months of the current fiscal year, but it has since received several important contracts which assure large profits. Chief among these are the steelwork for the International Nickel Co. in connection with its expansion program at Copper Cliff and more recently for the Ontario Paper Co. for its new newsprint installation in Quebec Province. In addition, on this same development, Dominion Bridge's subsidiary, Dominion Engineering, has received orders for two modern newsprint machines, the total contract being in the neighborhood of \$2,000,000. Dominion Bridge owns 62 per cent. of Dominion Engineering's 125,000 outstanding shares of common stock. Other smaller contracts from municipalities and industrial firms this year add up to an impressive total. In my opinion the overdue expansion of the capital goods industry should bring additional important business to the company.

In the year ended October 31, 1935, Dominion Bridge reported earnings of 7 cents per share on its common stock; in 1934 a deficit per share of 3 cents; 1933 earnings of 93 cents; 1932, \$1.49; 1931, \$3.23; 1930, \$3.86 and 1929, \$5.46. The generous dividend policy is shown by distribution figures per share as follows: 1935, \$1.20; 1934 and 1933, \$2; 1932, \$2.25; 1931, \$3.30; 1930, \$3.60, and 1929, \$3.05. An excellent example of a company which built up a strong position during prosperous times and used this for the benefit of its shareholders during leaner years. Dominion Bridge at the close of its last year still showed total current assets of \$8,041,008, of which cash was \$509,933 and Government and other bonds \$4,762,718 (less than market value), against total current liabilities of \$814,519. Net working capital at \$7,226,489 actually showed a slight increase during the year. Equity per share at \$38.02 was approximately around the value placed on the stock by the current market. Surplus, though reduced by dividend payments, still stood at \$2,440,150.

It must be remembered that Dominion Bridge's upturn in business, which has continued so well during the current year, actually began in 1935 when orders on the books showed a 78 per cent. gain against the previous year. Further impetus to the climb should be given by various public works programs, while low interest rates should apply a further spur to capital commitments by business generally.

BUR-LEY PORCUPINE

Editor, Gold & Dross:

I have received some literature on a new company called Bur-ley Porcupine Gold Mines Ltd., and am thinking of buying a few shares. Before doing so would like your opinion. The location, as shown in the map in the enclosed literature, makes it look like a reasonable gamble to me. Next to Hollinger and close to Little Long Lac it should be good. What do you think? Thanks.

W. J. R., Toronto, Ont.

A map under a Bur-ley Porcupine heading showing part of the Porcupine gold area and part of the Long Lac area is pretty misleading. The section of the Porcupine area only covers the easterly part, from Dome to Pamour. Adjoining this on the West is placed a map of Long Lac area showing "Hollinger Consolidated Gold Mines", Little Long Lac Gold Mines, etc. The map shows Bur-ley Porcupine wedged in between Hollinger and Little Long Lac. The fact is that the producing mine of Hollinger is several hundred miles away from the Long Lac claims of Bur-ley, and that any interests of Hollinger in that section are raw and speculative. Also, the Bur-ley holdings do not adjoin the producing section of the Little Long Lac property.

GREENE STABELL

Editor, Gold & Dross:

A friend of mine was advised by a friend of his to buy some shares of Greene Stabell and he passed the tip along to me. But I decided to seek your advice before making any decision in the matter. Can you tell me anything regarding this company's developments and prospects?

R. G. L., Kitchener, Ont.

Greene Stabell has met with developments during the past month or so which lend attractive possibilities to the enterprise.

In the north ore zone where operations were recently directed an interesting ore shoot was encountered at the 400 ft. level. A winze is being put down on the vein at this point. There is a length of 100 ft. by a width of 26 inches carrying \$19.76 to the ton. The winze is down about 50 ft., showing about the same grade, but with one section of 10 to 12 inches in width carrying \$70 to the ton for a couple of rounds. This introduces good possibilities. The

management plans to construct an aerial tramway to take the ore from the new shaft to the mill. Production should show an increase.

I have no idea what the market quotations may do, as this will depend upon the trend of development results. The management of the mine is high class. The directorate of the company is experienced and aggressive, and can be counted upon to handle the affairs of the enterprise in the best interests of the shareholders.

MCWILLIAMS-BEARDMORE

Editor, Gold & Dross:

Would you kindly let me know your opinion of the McWilliams-Beardmore Gold Mining Company, located near Empire, Ont., and capitalized, I believe, at \$3,000,000? Have you any reliable reports on the property, the company and its management? Does not \$3,000,000 seem a large amount of capital? I will appreciate a reply in your well-edited column.

S. B. N., Brockville, Ont.

McWilliams-Beardmore was privately financed in its initial stage of exploration. The property is situated about one mile east of the Northern Empire mine where profitable production has been established. The initial work on the Williams-Beardmore encourage the holders to incorporate a company and seek finances from the public. The property is still a prospect. The capitalization of \$3,000,000 is not unusually high, as the general run of mining companies ranges from 2,000,000 to 5,000,000 shares. The object is to finance to a sufficient extent to thoroughly explore the claims in order to determine whether they embrace payable ore bodies, or not. The stock is highly speculative.

92 PER CENT SEMI-ANNUALLY

Editor, Gold & Dross:

In 1921 I was visiting my daughter in Baltimore, Maryland, and I was told about a company called the Community Finance Company in that city that was making big money for investors, so I invested \$500 with them and got what was called a Receipt for General Stock Pool Operations. I was told that I would get 92 per cent. on my money every six months, but I never got anything. My daughter wrote me that the company was in trouble with the police, but I never heard anything. Please tell me if my money is gone or if I can get it back any way.

W. P. L., Barrie, Ont.

I am sorry to say your money is gone and there is no hope of recovering it. The Community Finance Company ran what is known as a "blind pool," taking money from the public under promises of fantastically high returns such as you mention in your letter, and actually making some payments out of the funds received. While it lasted, the company took in around \$180,000 a month. In 1922 the company's operations were investigated by the authorities of the State of Maryland and the city of Baltimore, exposure followed and the company failed in the fall of that year with outstanding obligations of about \$10,000,000. Austin H. Montgomery, one of its officers, disappeared with \$650,000 of the company's (or the investors') funds, according to federal officials. As a matter of general investment principle, I would like to point out that the promise of an unusually high return on an investment is always an indication of unsoundness.

CANADIAN COTTONS PREFERRED

Editor, Gold & Dross:

I am the owner of what is, for me, quite a large amount of the preferred stock of Canadian Cottons, Limited, which I have always regarded as an A-1 security and which I have regularly depended on for income. Now I have just finished reading the remarks of the president in connection with the company's report and I am very much worried. I wonder if you would be good enough to let me have your opinion on this stock. I would like to know the dividend record and earnings in recent years and something about the company's financial position which I had always understood to be strong. Your help will be greatly appreciated as what I am trying to decide is if I should sell this stock as I can't afford to do without the income.

K. W. R., Winnipeg, Man.

Despite the undoubtedly pessimistic and extended remarks by the president which accompany presentation of Canadian Cottons' annual report, I can see no necessity for disposing of this company's senior security. It is quite true, of course, that in the past two years, and for a number of years prior to 1934, the company's earnings did not cover full dividend requirements on the 6 per cent. non-cumulative preferred, but on the other hand the company has built up such a strong financial position that it could continue distribution for many years, even though not earned. Another point to be taken into consideration is that during the last fiscal year the company retired its entire funded debt and that the 36,615 shares of preferred and 27,155 shares of common, both of \$100 par value constitute the sole liability to the public.

In the year ended March 31, 1936, Canadian cottons reported net income of \$196,356 as against \$151,980 in 1935, or a per share on the preferred of \$5.58 against \$4.15 in 1935, \$9.35 in 1934, \$2.48 in 1933, \$3.43 in 1932, \$2.87 in 1931, \$1.58 in 1930, \$6.58 in 1929 and around \$12 or \$13 per share running back to 1923. Preferred dividend has been regularly paid since inception of the company. It must be remembered, as well that common dividends, inaugurated at the rate of \$4 a share in 1934 have been continued to date, but naturally reliance cannot be placed on continuation of distribution on the junior security. Despite redemption of the bonds, the company's balance sheet shows improvement for the year, net working capital being \$4,287,526 against \$4,040,470 at the close of the previous year. Current assets of \$5,545,166 include cash of \$183,066 and marketable securities of \$2,756,229 (market value \$2,977,375). Fixed assets are carried at \$9,752,612 after deducting depreciation reserve of \$7,130,940. In addition there are reserves of \$5,750,174 for obsolescence, replacements and contingencies.

Since you have read the president's remarks which deal with the possible adverse factors affecting the company's outlook I need not summarize them here. I would point out, however, that it must be remembered that at the present time a

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**MINES**

BY J. A. McRAE

**MacLEOD COCKSHUTT** is adding as rapidly as possible to mining plant with a view to having the new shaft under way before the end of June. Because of the diamond drills having indicated an orebody of unusual size, the shaft will be four compartments. The objective is to reach the fourth level by the beginning of September.

The introduction of a four compartment shaft at the MacLeod Cockshutt is new for initial work on a mining property in Northern Ontario. One particular advantage will be that two of the compartments will be employed through which to develop the first four levels and at the same time enable development of lower horizons to proceed through the remaining two compartments.

Wright Hargreaves will distribute 15 cents per share on July 1, in the form of a regular quarterly dividend of 10 cents, together with a bonus of 5 cents.

Pioneer Gold Mines of B. C., realized a net profit of \$1,500,985 during the year ended March 31. Gross output was \$3,045,000. Operating costs were \$813,000, depreciation allowance \$377,000, and \$421,000 paid in taxes. In spite of the high taxation, net profit amounts to about 50 per cent. of the gross income.

Additional power for new and prospective mines in the Red Lake gold area is urgently required. Deposits with a view to having Ontario Hydro provide the required power are understood to have been made by such companies as Red Lake Gold Shore, Gold Eagle, Red Crest, Madsen, Frontier, Paulore and May-Spicer.

Dome Mines, through acquisition of the adjoining Schumacher claim, has finally secured protection for any reasonable trend of its ore deposits. It has been recognized for many years that Dome would require the Schumacher where there are indications that many millions in gold will be made available.

The Split Lake gold area is the centre of marked activity. This has been encouraged by the discovery of gold on a group of claims owned by Col. Price and associates of Toronto, and because of the crosscut at the first level of Split Lake Gold Mines having intersected a wide deposit, heavily mineralized and showing free gold.

Little Long Lac has declared its second dividend disbursement of 10 cents per share payable June 25. Treasury surplus is accumulated. (Continued on page 23)

**GOLD & DIAMOND**

Royal Commission is investigating the Canadian textile industry and that naturally the industry is concerned with impressing upon the Government its need for special consideration in the way of tariff protection and lower taxation. It may be, therefore, that the view taken is somewhat gloomy; I remain convinced that it is not the intention of the Federal Government to destroy so important a Canadian industry and that all efficiently operated companies will remain able to earn a fair return on the capital invested. I look, as a matter of fact, to the forthcoming report of the Commission to furnish an excellent guide to investors in the industry. In the meantime I think that any panic selling of Canadian Cottons preferred would be ill-advised.

**POTPOURRI**

**F. D., Simcoe, Ont.** HONEY DEW preferred is now quoted around 11, and while you do not tell me what you paid for it, I assume that sale at current levels would entail a severe loss. As a matter of fact this stock sold as high as 85½ in 1929. The company was very badly hit during the depression years and losses were reported after depreciation in 1932, 1933 and 1934. The last report available, that for the ten months ended October 31st, 1935, showed a net income of \$462, as against a deficit of \$18,558 in the year ended December 31st, 1934. This indicated earnings of 3 cents per share on the \$7 class "A" preferred stock as against a deficit of \$1.23 in 1934. The company's financial position is not satisfactory, balance sheet as of October 31st last showing an excess of current liabilities over current assets amounting to \$16,130. A plan for simplification of the financial set-up of the company was defeated by shareholders in February of 1935. Since arrears on the preferred stock amount to more than \$28 a share, it is my opinion that some form of capital reorganization will be essential before very long. Currently, however, I know of no plan under way.

**H. P., Hamilton, Ont.** Since prices for HUNT'S LIMITED "A" stock are currently so low, around 4½, I think that possibly you would be warranted in retaining it instead of accepting the loss which sale at these prices would entail. The company is a well managed one, but despite this it has not been able to establish satisfactory profits in recent years. An encouraging point was the fact that last year gross sales rose to \$938,758 against \$835,868 in the previous year, but after all deductions, a net loss was shown of \$40,005 against a loss of \$17,268 in 1934. Last year on the combined class "A" and class "B" stocks there was a deficit per share of \$1.19 against a per share deficit of 51 cents in 1934. The company's working position was also affected, net working capital dropping to \$31,216 from \$43,359 at the close of the previous year. No dividends were paid, of course, during 1935. The showing last year, therefore, is not particularly encouraging to shareholders, and while I think that in all probability with improving conditions the company should be able to re-establish a profitable basis, how long the wait for any return may be I cannot say.

**W. J., Paris, Ont.** PAYMASTER handled an average of less than 9,000 tons of ore per month during the closing quarter of 1935, with the grade running over 7 per cent. So far during the current year, the tonnage has increased, and for April the mill handled 11,265 tons, but with the grade lower at \$6.61 per ton. It is pretty difficult to estimate the rate of output at mines, especially when in the stage of development. In view of the performance at Paymaster during the four months ended April 30, the estimated capacity might be placed at over 11,000 tons per month and production of over \$70,000 per month. This compares with an output of less than \$64,000 per month during the closing quarter of 1935. Recent reports from the mine have indicated additional favorable developments at depth, but with further work awaited before arriving at an estimate of the importance of these developments.

**R. A., Lac Vert, Sask.** CANADIAN GENERAL INVESTMENTS is currently quoted at 7½ and the company has made substantial progress in recent years. The company is, as you know, an investment trust. It is quite true that this trust was very badly hit in the early depression years, with the resultant amalgamation of the other trusts, with which reorganization you are familiar. The earnings and market price of these investment trusts are directly dependent, of course, upon the income from the securities held and the market prices of these same securities. Assuming a continuation of the long term upward trend, I think it quite reasonable to expect further appreciation for Canadian General Investments. It may be, as well, that it will be possible to increase the current dividend rate, although I do not anticipate any near term move in this direction.

**E. J., Chicoutimi, Que.** I am afraid I cannot give you any definite opinion as to how bondholders of the BROWN COMPANY will make out, since the company is operating at the present time under Section 77B of the United States Bankruptcy Act. Various bondholders' protective committees have been formed and naturally operation of the company is subject to the approval of the American courts. For current information I would suggest that you communicate with the secretary of the Bondholders' Protective Committee, Sherman Damon, 36 Federal St., Boston, Massachusetts.

**F. J., Oshawa, Ont.** Current quotations for the 6½ per cent. preferred stock of EDMONTON CITY DAIRY LIMITED are around 60. You are aware, of course, that this company is a subsidiary of Dairy Corporation of Canada, which owns the majority of both the preferred and the common stocks. There is very little which I can add to the letter which you have received from the company itself, as in my opinion this sets forth most fairly the earning position. The only reason, I can see, for the final paragraph of the company's letter is that it is intended to foreshadow possible cessation of distribution on the preferred.

**G. L., Toronto, Ont.** No, RITCHIE is not a safe buy. The property embraces favorable geology and some encouraging gold values have been disclosed. No payable ore shoots are yet in evidence. The property is now figuring in an option of Consolidated Mining & Smelting Company, which company proposed to spend a limited amount of money in an effort to determine whether the ground justifies detailed development. Other properties adjoining the Ritchie are also optioned to Smelters and a merger of the groups is contemplated should initial results warrant such action. Under the circumstances the shares are a gamble, more particularly until such time as the results of initial work are made known.

**M. W., Kingston, Jamaica.** I do not think the time has yet arrived for investment in the commercial aviation field in Canada. It is quite true, as you point out, that there are a number of successful flying companies in this

country, but with the exception of Canadian Airways, to which you refer, many of the other companies are identified in some way with mining development. CANADIAN AIRWAYS itself, which is the largest Canadian operator, has no funded debt and the share capital outstanding consists of 129,753 shares of no par value capital stock. A substantial interest in the company is owned by the Canadian Pacific Railway Company and Canadian National Railways. Never since inception of operations in 1930 has the company been able to show net profit, deficit per share on the common stock having been 54 cents in 1930, \$2.03 in 1931, \$4.89 in 1932, \$3.32 in 1933, \$1.29 in 1934 and just over \$1 in 1935. It would appear that profitable operations for the company will depend upon resumption of large scale air-mail contracts by the Dominion Government. Eventually there will be established in Canada a transcontinental air route and the Government has already spent a considerable amount of money in preparation of air bases. No doubt at that time Canadian Airways will be an important operator, but in the meantime, there is no reason why the average investor should purchase its securities.

**J. W. W., Hamilton, Ont.** CORLESS PATRICIA is a prospect with interesting possibilities. Work was curtailed a short time ago to await a survey on which to base plans for a further extensive campaign of diamond drilling. The property is equipped with a small mining plant and the company is stated to have about \$75,000 cash on hand. The property is situated in the Woman Lake section of the district of Patricia. The work to date has yielded encouraging results.

**W. S., Whitecourt, Sask.** You tell me that you already hold a fair bond list and for current investment I would suggest to you, therefore, sound industrial common stocks. I might suggest for your consideration such securities as BELL TELEPHONE OF CANADA, LOB-LAW "A", STEEL OF CANADA, LAURA SECORD, IMPERIAL OIL, BRITISH AMERICAN OIL, CONSUMERS GAS OF TORONTO, and, say, IMPERIAL TOBACCO. I note that you want security of principal, and in my opinion these securities possess not only this, but in ready marketability, adequate income, and prospect of moderate appreciation in line with business conditions.

**J. M. P., Kitchener, Ont.** KING KIRKLAND has been inactive for a number of years. The company holds 400 acres in the easterly part of the Kirkland Lake district. Recent developments in that area have been such as to attract added interest to such properties as King Kirkland, giving them at least another spark of hope.

**W. A., Glace Bay, N.S.** I can see little attraction to the common stock of BALDWIN LOCOMOTIVE at current levels. The company is at the present time endeavoring to secure the approval of its shareholders for reorganization under Section 77B of the United States Bankruptcy Act and the plan provides for the issuing of one share of new common stock for each ten held. In addition, new common stock would be deposited in a voting trust for ten years. As to the outlook for this important producer of locomotives, the picture remains uncertain and in 1935, as a matter of fact, 67 per cent. of the total volume of the company's business was outside the locomotive field. It is correct that there has been little buying by the railways in recent years of locomotives, and that this demand has accumulated. On the other hand, because of modern developments, the question may arise as to whether or not railway buying of locomotives will ever again approximate that of the peak years. Certainly for the period you mention, that is two years, I can see no prospects of any return on the common and unless important buying should develop, not much prospect for material appreciation.

**M. L., Tottenham, Ont.** WOMAN LAKE GOLD-FIELDS DEVELOPMENT LIMITED was incorporated in 1927 with an authorized capitalization of 3,000,000 shares of \$1 par. of which 1,426,350 shares have been issued. The company holds 1,035 acres in the Woman Lake section of the Patricia district. The company did some surface exploration and about 2,000 feet of diamond drilling and had some rather interesting showings, but, I believe, ran out of funds. The company was inactive for several years. I have not heard of any recent developments. The company has an office at 1194 Northern Ontario Building, Toronto, where I would suggest you write for information.

**P. W., Moncton, N.B.** In my opinion the \$10 par value capital stock of NEW BRUNSWICK TELEPHONE COMPANY LIMITED would constitute a satisfactory investment. Last year the company's net income rose to \$309,221 against \$278,081 in 1934 and per share earned on the capital stock was 53 cents as against 48 cents in 1934. The 50 cent dividend has been regularly maintained. It is true that in 1934 and 1933 dividends were not completely covered, the 1933 per share figure being 49 cents, against 57 cents in 1932, 63 cents in 1931, and 73 cents in 1930 and 1929. Dividends were paid at the rate of 80 cents per share on the stock from 1916 to 1931, 65 cents was paid in 1932, and the 50 cent rate subsequently. The company's balance sheet position is satisfactory, report for the year ended December 31st, 1935, showing total current assets of \$442,519 against total current liabilities of \$160,148, net working capital being \$282,403 against \$241,700 at the close of the previous year. Under equity per share on the capital stock was \$19.25. I think it is only reasonable to assume that the company's earnings should increase with improving business conditions and in all probability when earnings warrant, a higher dividend rate will be restored. The company is controlled by Bell Telephone Company of Canada, which owns 55 per cent. of the capital stock.

**M. O., Ottawa, Ont.** You should communicate with the National Trust Company Limited at Toronto in connection with the series "A" and "B" debentures of KING EDWARD HOTEL which you hold. Currently the outlook for the debenture holders is not particularly bright. Metropolitan Life Insurance Company held the first mortgage on this hotel property which it has foreclosed and taken possession of the property. At the present time, the hotel is being operated in the interests of the debenture holders by the National Trust Company under a lease from the Metropolitan Life. I understand, however, that earnings in recent years have been far from satisfactory, and net profits have, according to which might form the basis of any possible distribution to security holders. It has been suggested that there might be some reorganization of the company, that is some exchange of outstanding debentures for another type of security, but I understand that no such plan is currently contemplated. Earnings figures are not made public because of keen competition in the hotel business. As a debenture holder, however, you can obtain all current information from the National Trust Company.

**W. F., Toronto, Ont.** MANITOBA TIN attracted some interest a half dozen years ago, but the results of work were not very impressive and the property at Lac Du Bonnet, in Manitoba, has been idle for a number of years. No recent information has been available.

**R. J. W., Stratford, Ont.** ROUYN REWARD holds claims in the Rouyn district of Quebec and also claims in the Sturgeon River area of Ontario. Exploration has been done by diamond drilling and surface work, and while the claims are in the prospect stage, the ground appears to warrant more work to ascertain whether it is of value, or not. The shares are a gamble only. Lake Maron is still in existence, and is connected with Greater Canada Mines only because of that company holding a substantial number of shares of Lake Maron. The Lake Maron holdings are in the Little Long Lac area in Ontario and in Northwestern Quebec. The company has some business on hand. The shares are highly speculative, but the general interest taking place in the Little Long Lac area is of interest to Lake Maron shareholders.

**H. E., Guelph, Ont.** PRINCE EDWARD HOTEL or Windsor is in the hands of the National Trust Company, representing the bondholders, and the Trust Company has not to my knowledge issued any recent report concerning the progress of the property. Very often owners and managers are unwilling to make earnings statements public, because of the keen competition existing in the hotel business. As a bondholder, however, you are entitled to a report and I would suggest, therefore, that you write direct to the National Trust Company at Toronto.

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Budget estimates for fiscal year ending November 30th, 1936, provide a surplus of ordinary revenue before sinking fund provision.

We shall be glad to furnish additional information upon request.

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# Concerning Insurance

## BRITISH INSURANCE

BY GEORGE GILBERT

**R**ECOGNIZING the value of the insurance business to the country at large, the British Government encourages its development and expansion by leaving it largely free from hampering restrictions and regulations. As a result, the British insurance companies have been steadily extending their field of operations during the last hundred years or so, until now they are carrying on business in every quarter of the globe. In spite of the deposit and investment requirements with which they must comply in many countries, they have made the worth of the protection they furnish so widely known that they now occupy a pre-eminent position as insurance carriers throughout the world.

With funds aggregating over \$7,500,000,000, they stand in the forefront of British financial institutions, and the business they transact abroad represents an important part of the invisible exports of the country, along with the interest on British foreign investments and the proceeds from British shipping and banking.

As noted recently at the annual meeting of one of the large British insurance companies, it was a matter of some concern to the country when these invisible British exports dropped from \$2,070,000,000 in 1930 to \$1,180,000,000 in 1932, and a cause of considerable gratification when they recovered to \$1,390,000,000 in 1935. Although it was recognized that further recovery is dependent upon the progress of overseas trade and commercial activities, the opinion was expressed that—in the absence of any great international convulsion—the recovery will be steady, if slowly, enhanced.

**W**HEN it is remembered that about 70 per cent. of the total fire, accident and marine premiums of the British companies are derived from their foreign business, it will be understood what an important part of their income is drawn from other countries. The importance of the British insurance companies as contributors to the revenues of the country will likewise be realized when it is pointed out that British taxation is paid not only on the whole of their underwriting profits both at home and abroad, but also on the interest income derived from their funds all over the world, even though a substantial part of these funds represent reserves held against current foreign liabilities.

Accordingly, it would appear that the British Government is well-advised in rendering assistance to the insurance companies in the development of their home and foreign business. This it does in a variety of ways. For example, during the past few years there have been numerous instances of smaller foreign countries seeking to balance their budgets by imposing additional taxation on outside insurance companies—meaning British companies in most cases—in a discriminatory manner. If carried to excess, that process would make it ultimately impossible to continue to do business in those countries. In their efforts to combat these discriminatory levies, the insurance companies have always had the powerful support of the British Government.

In some cases, foreign governments, in their endeavors to favor home organizations, are inclined to overlook the fact that in excluding outside insurance institutions they would be weakening their own economic position. In the event of a serious conflagration or other disaster, they would have to rely entirely upon their own weakened resources, instead of being able to draw on the outside resources of the foreign insurance companies possessing the security afforded by the transaction of a world-wide business.

**A**NOTHER POINT sometimes overlooked by foreign governments is that British insurance companies as a whole are probably the largest body of investors in the securities of the very countries seeking to hamper their operations by discriminatory restrictions. It is obvious that to the extent to which their operations are so limited, their capacity and willingness to invest in these securities must be lessened, leading to a weakening of the credit of such countries in the world's money markets, and so curtailing their facilities for borrowing abroad.

British insurance as a whole experienced another profitable year in 1935, and further added to the strength of its business and financial position. One leading composite company reports a record new life business for the year and the lowest fire loss ratio since 1862, 37.32 per cent., though the chairman was candid enough to state at the annual meeting that he did not consider such a low claim ratio to be a natural one.

Among other things, he said: "Insurance rates are not based on anticipation of quite so favorable a figure, and we neither can expect a repetition nor indeed should we particularly welcome it as a permanent feature. Admittedly, our business is not one where it is possible to run continuously on an even keel, and therefore whilst good years come occasionally—and in recent years we have been extremely fortunate in that respect—we must expect a return to a more reasonable and indeed, from some points of view, a more respectable figure than 37 per cent."

**I**N HIS opinion, the unusually good underwriting results could in large degree be attributed to two main causes: (1) freedom for some time past from anything in the nature of a catastrophe, and (2) the reflex action of the worldwide uncertainty and disturbance in currency conditions. With regard to the conflagration or catastrophe risk, this is largely the result of a combination of unforeseen circumstances which may occur at any time, and it is part of the business of insurance companies to try to avoid or to limit the possibilities of heavy loss from this source.

As to the effect of present disturbed currency conditions on the fire loss ratio, the British company chairman already quoted explained it this way: "When a currency is in danger or likely to be inflated, it is obviously not in the interests of a policyholder to exchange his building and machinery for cash in the form of a local currency which is likely rapidly to depreciate in purchasing power. The result is that great anxiety is evinced to prevent fires, and consequently carelessness and slackness, which in normal times so largely figure as main root causes of fires, are reduced to an extent that quickly reflects itself in very marked degree on the sum total of fire waste. Again, when trade improves, the rush to extend business and promote a larger turnover is apt to produce a lack of close oversight, thus leading to carelessness and so bringing fire waste back to normality."

There is no doubt that currency instability is merely an indication that certain markets are closed against the surplus products of other nations, and that what we need today is some enlightened public plan which will enable the world to get back to business and the free exchange of commodities.

### 4 1/2% INCREASE IN LIFE SALES

**S**HOWING the highest percentage gain in any month since the first of the year, new ordinary life insurance sales in Canada and Newfoundland for April, excluding annuities and pension bonds, totalled over thirty million dollars. This is an increase of nearly 4 1/2 per cent. over the same month last year. All the prairie provinces showed increases, Saskatchewan of 18 per cent., Manitoba 12 per cent., and Alberta over 4 per cent. Ontario was up over 7 per cent., while Quebec gained one per cent. In the Maritimes, New Brunswick showed an increase of over 14 1/2 per cent., but sales in Nova Scotia and Prince Edward Island were substantially lower than a year ago. British Columbia also showed a decrease. In Newfoundland, sales showed an improvement of over 11 per cent.

Detailed sales, as given out by the Life Insurance Sales Research Bureau, based on returns from nineteen companies having 90 per cent. of the business in force, were: British Columbia, \$2,227,000; Alberta, \$1,195,000; Saskatchewan, \$925,000; Manitoba, \$1,554,000; Ontario, \$13,542,000; Quebec, \$8,606,000; New Brunswick, \$765,000; Nova Scotia, \$973,000; Prince Edward Island, \$81,000; Newfoundland, \$279,000. Total—\$30,147,000.



**J. H. CASTLE GRAHAM, C.I.U.**, formerly Director of Field Service, who has been appointed Publicity Executive of the London Life Insurance Company. He will concentrate his attention upon all matters relating to publicity, advertising and public relations. He joined the staff of the London Life in 1924, following eight years as General Secretary-Treasurer of the Life Underwriters Association of Canada and Editor of the Life Underwriters News.

### LLOYD'S BUDGET POLICIES

**I**N CONNECTION with the inquiry which has been going on in England into the question whether any unauthorized disclosure was made of information relating to the Budget, or any use made of any such information for the purposes of private gain, it is interesting to note that the Committee of Lloyd's has advised underwriters at Lloyd's that the claims in respect of Budget policies should be settled with as little delay as possible. The policies are what is known as p.p.i. (policy proof of interest) contracts, and are thus not enforceable at law.

These alleged Budget leakages have brought up the question whether the granting of such insurances in connection with measures adopted by Parliament is not against public policy. It is claimed, however, that in many cases such insurances represent quite legitimate business interests which should continue to be insurable. On the other hand, policies of this description may be mere gambles, and it is surmised that little harm would be done if the Committee of Lloyd's should decide to ban all Budget insurances in future.

### WHO IS THE GAMBLER?

**I**N HIS presidential address before the Insurance Institute of London, Eng., W. Palin Elderton, C.B.E., F.I.A., F.F.A., said:

"The gambler is the person who takes an unnecessary risk for an inadequate reason. Insurance provides a means of enabling people to get rid of the financial loss from a risk they cannot avoid. In effect, the insurer makes a group of people in order that the loss from an event that may ruin any one of the individuals concerned is shared between them. A small shop-keeper might be ruined if his shop and all its contents were burnt to the ground, but if a thousand shop-keepers were to combine and divide all the fire risks among themselves each one of them would make a little less than he would have made if he had had no fire but he would not have to face financial ruin from that cause. If a man does not insure against an insurable risk which he cannot avoid and cannot afford to meet, he is a gambler, and his inaction is as unjustifiable as if he put his fortune upon a throw of dice or a horse."

### INSURANCE INQUIRIES

Editor, Concerning Insurance:

I would like to know what you think of The Wawanesa Mutual Insurance Co. The Portage La Prairie Mutual has sold its Eastern business to this company. I have been writing insurance for The Portage La Prairie Mutual for several years, and I hope to continue to write for The Wawanesa.

P. L. Beaumais, Ont.

Wawanesa Mutual Insurance Company has been in business since 1896, and formerly operated under Manitoba charter and license. Since 1929 it has been carrying on business under Dominion charter and license, and has a deposit with the Government at Ottawa of \$509,000 for the protection of policyholders.

At December 31, 1935, its total assets were \$1,532,994.71, and it had a surplus of \$730,855.94 over all liabilities. In addition, there were unassessed premium notes to the amount of \$1,092,393.48 held



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against the company to more than the amount of his premium note or cash premium. There is no further liability assumed by the policyholder. All claims against the company are readily collectable.

Editor, Concerning Insurance:

Among other insurance policies, I have a small one with the Prudential Insurance Company of America. The premiums are collected weekly, although I am in the habit of paying premiums for many weeks ahead.

Recently, being out of town and having to remain away for a longer period than I anticipated, four premiums fell due and were not paid. However I was home before the fifth one fell due. When the agent called concerning these premiums he remarked, "You are lucky I found you in or else your insurance would have been cancelled," stating that there was only one month's non-forfeiture protection on my policy.

As I have always been under the impression that there was statutory non-forfeiture protection on all insurance policies for one year after a premium fell due, I would be pleased to know if there is such protection or whether this protection is entirely at the discretion of the insurance companies.

—C. J. H. Windsor, Ont.

Thirty days of grace for the payment of ordinary premiums other than the first premium, and four weeks in the case of industrial policies payable by weekly premiums, are provided for by law, but there is no statutory enactment as to the non-forfeiture provisions to be included in policy contracts.

In the case of industrial policies with the Prudential of America, after such policies have been in force for three years the automatic non-forfeiture provision applies if the premium is not paid within the grace period of four weeks, the policy being carried as extended term insurance as long as the existing value in the policy permits or until the premium arrears have been paid and the policy reinstated on its original basis.

Editor, Concerning Insurance:

I am thinking of taking up a \$1,000 Government annuity—my age was 73 last August. I have some shares of stock worth at present some \$12,000. Would you care to advise me if you think it would be wise for me to sell enough stock and buy a Government 10 year guaranteed annuity, guaranteed for life, and payable if I died to my heirs for the 10 years, in any event. My total income, including above annuity, would then be around \$1,700 per year. I have a wife and two daughters (one married).

I could buy the maximum annuity of \$1,200, if necessary. I believe the rates in above are to be revised soon, and do you think these annuities could be repudiated?

—R. A. J. Ottawa, Ont.

If a sure and certain income for the rest of life, however long you may live, is of more importance than the leaving of a capital sum to your heirs at your death, it would be advisable to sell enough stock to buy a Government annuity guaranteed for ten years, so that the annuity would be paid for ten years in any event.

While it is altogether likely that the rates for Government annuities will be raised in the near future, the annuities taken out before the increase goes into force will not be affected in any way. Any repudiation of these annuities is out of the question. If a time should ever come when such action was taken, there would be no security left in anything in this country.

Editor, Concerning Insurance:

Can you tell me how long the T. Eaton Life Assurance Co. has been in business and what its present financial position is? Has it a Government deposit?

H. G. F. Oshawa, Ont.

The T. Eaton Life Assurance Company has been in business since August 20, 1929, and operates under Dominion charter and license. It has a deposit with the Government at Ottawa of \$56,000 in Dominion of Canada bonds for the protection of policyholders.

At December 31, 1935, its total assets were \$6,015,015.80, while its liabilities except capital amounted to \$5,366,844.13, showing a surplus as regards policyholders of \$648,171.67. As the paid up capital amounted to \$100,000.00, there was a net surplus of \$548,171.67 over capital, policy reserves, contingency and investment reserves and all liabilities.

Policyholders are accordingly amply protected, and the company is safe to insure with. The total amount of insurance in force in the company at the end of 1935 was \$27,232,168, as compared with \$26,129,181 in force at the end of the previous year.

Editor, Concerning Insurance:

Are you able to give me an opinion of the standing of the Universal Life Assurance & Annuity Co., of Winnipeg? The returns on its contracts seem to be very attractive.

S. D. H. Moose Jaw, Sask.

Universal Life Assurance and Annuity Co., of Winnipeg, has been in business since October, 1902, and operates under Manitoba charter and license. It is regularly

authorized to transact annuity insurance.

At the end of 1934, the latest date for which Manitoba Insurance Department figures are available, its total assets were \$272,912.80, while its total liabilities except capital amounted to \$245,684.94, showing a surplus as regards policyholders of \$26,327.86. As the paid up capital amounted to \$25,000, there was a net surplus of \$1,327.86 over capital and all liabilities.

Its total receipts in 1934 were \$25,826.99, while its total expenditures amounted to \$31,028.50, of which \$14,940.31 was paid for annuities and death claims.

As the company is regularly licensed, has a deposit of \$8,410.37 with the Government of Manitoba and maintains assets in excess of its liabilities, it is safe to do business with. But the returns to be expected on new contracts cannot be judged by the returns on those previously issued, and I should not care to express an opinion as to the attractiveness of its contracts until I have more complete information as to the terms of the contracts now being issued.

## Price Fixing Not the Remedy

(Continued from page 17)

so much, it must go on to say how much coal shall be mined. It would then have to say how much coal shall be mined at each mine.

Is this not the theory of the A.A.A., and why, if the New Dealers believe this about cotton and wheat, do they not believe it also about coal?

THE objection to price fixing as a remedy for over-production is that you cannot stop with price fixing. You have to go on until you are dictating to every mine how much coal it shall produce and at what price and what wages. That is a task which would compel the government to decide how much coal should be mined in West Virginia and how much in Illinois, and which particular operators and which particular miners should be allowed to mine it.

It is probable that this whole experiment is based on a false theory and that the way to attack the problem is not through the fixing of prices and wages but through a program for the conservation of natural resources. If there is over-production of coal in the sense that more coal is mined than can be sold at a reasonable profit, then it may be better to induce the States, perhaps even to subsidize them, to buy out the



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**IN PLAYER'S YOU GET**  
*Vintage TOBACCO*

**20 FOR 25¢**  
CORK TIP OR PLAIN

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NAVY CUT  
CIGARETTES  
MEDIUM

marginal mines and close them down and to take care of the displaced miners till they have been transferred to other jobs. It may be desirable, also, to induce the States to assert their sovereignty over all coal in the ground and not to let any new coal mines be opened except under a franchise obtained after proof that the coal is needed.

For there is no doubt that the conservation of a limited natural resource like coal is a function of government, and if there is over-production today that is simply another way of saying that conservation is not being practiced. There is no reason to think that conservation will be practiced by fixing minimum prices. On the contrary, higher prices encourage production. Therefore, it would seem that the true approach to this question is for the States, assisted and guided by the Federal government, to resume control of their natural resources, buying out the unneeded producers already in the field, withholding permits to unneeded producers who wish to enter it, and thus to husband for posterity coal that later generations may very badly need.

be mentioned also, that out of these profits individual stockholders must pay their personal taxes, national, state and local.

The above record reveals the approximate average division of the industrial product over the last 15 years between industrial proprietors and the public, and the compensation of ownership for initiative, enterprise, the use of its capital, the services of organization, the risks of business losses, etc.

Looking to the public interest, could there be a more mistaken or short sighted policy than that of forcing the distribution of earnings by law, instead of permitting them to remain and fructify in productive employment with distribution accomplished through a constantly rising standard of living?

THE foregoing is strikingly illustrated by the development of the automobile industry. By the retention of earnings for development that industry has been built up to afford more employment than any other industry in the United States. Dividends have been relatively small. The net earnings have mainly gone into the improvement of methods and the vast plants that have no other value but what they can earn by supplying a public want. In the division of benefits from the rise of the automobile industry, between the stockholders and all others concerned, the latter have shared at a ratio far more favorable to them than 19 to 1.

A similar illustration is afforded by the report of the United States Steel Corporation for the year 1935, as follows: It had aggregate gross receipts from sales and otherwise of \$758,893,126; paid out \$251,576,808 as wages; had a profit of \$1,146,708, which was .15 of 1 per cent of the gross income, paid a dividend of 2 per cent on its preferred stock, aggregate sum, \$7,205,622, and nothing on its common, but has appropriated \$35,313,455 for expenditures in 1936 upon improvements in its working capacity to be paid out of previous earnings, like the preferred dividends of the last five years. Of the increased production resulting from this increased capacity, it may, if fortunate, realize 5 per cent as its share, with 95 per cent going to the public.

The corporation had \$12,000,000 of net earnings in 1931, deficits in 1932, 1933, 1934 and the above-named net in 1935, making a five year record with a net aggregate deficit of \$115,159,758. These are current operating losses, not including a "write-down" of \$270,000,000 in the property valuation, as the result of a review of valuations. The last report says of this "write-down":

Broadly, these adjustments are attributable to the developments in the art and mechanics of steel-making which have operated to reduce the normally expected life of such facilities, and to changes in plant location based upon shifting markets and transportation facilities.

Notwithstanding this five year record, the expenditures for improvements must go on, for this is the only way to a resumption of dividends. Cost and prices must be reduced.

## INDUSTRY'S INCOME

### Records Show That 95% Has Gone for Wages, Taxes and Supplies

ONE of the most common fallacies of the day is the random conjecture that extraordinary profits were made by industrial corporations in the post-war boom period and invested to increase production, thus causing over-production and unemployment, breaking down prices, bringing on the depression, etc., etc., all of which has little factual basis, says the National City Bank of New York. The volume of production was large, but the margin of profit was smaller than shown by any previous record, and so low that at the time it was frequently called an era of "profitless prosperity".

The U. S. Treasury figures show that from 1922 to 1929 inclusive the average profit of all corporations was but 4.7 per cent of the aggregate gross income, and in only one year rose as high as 5.2 per cent. In both 1928 and 1929 it was exactly 5 per cent. With an average of approximately 5 per cent of produced values retained by the corporation, it is evident that 95 per cent would be distributed elsewhere—in costs of production, including wages, material costs, taxes, etc., and possibly in lower prices to consumers; in short, to the public.

It is true that the narrow margin of profit and the doubling of wages stimulated the development of labor-saving methods, as might be expected, but it is not true that the depression began with the highly organized industries, as charged. It began with the fall in price of agricultural products, when the agriculture of Europe regained its pre-war rate of production and reduced its extraordinary importations from this country.

WITH a 5 per cent return on gross incomes, all industrial earnings retained in the industries for further development and growth obviously will yield to the corporation treasuries 5 per cent of the value of the increased production, while 95 per cent of the increase will go to the public—not by any uncertain promptings of generosity, but by the simple processes of economic law.

This, however, does not mean that the full 5 per cent will reach the stockholders. They share in the earnings only as they receive dividends, and if in any year the net earnings are not fully distributed as dividends, but in whole or in part are retained for use in the business, the stockholders to that extent will not participate in the distribution; moreover, of the increased production resulting from this policy in subsequent years, the corporation will be able to share only at the ratio between itself and the public in previous years, namely, at the approximate ratio of 5 to 95, or one part for the corporation to 19 for the public, as appears above. Of course, as consumers of their own products and other products stockholders will share in the gains of industrial progress proportionately with all other consumers. It should

be mentioned also, that out of these profits individual stockholders must pay their personal taxes, national, state and local.

The above record reveals the approximate average division of the industrial product over the last 15 years between industrial proprietors and the public, and the compensation of ownership for initiative, enterprise, the use of its capital, the services of organization, the risks of business losses, etc.

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Notwithstanding this five year record, the expenditures for improvements must go on, for this is the only way to a resumption of dividends. Cost and prices must be reduced.



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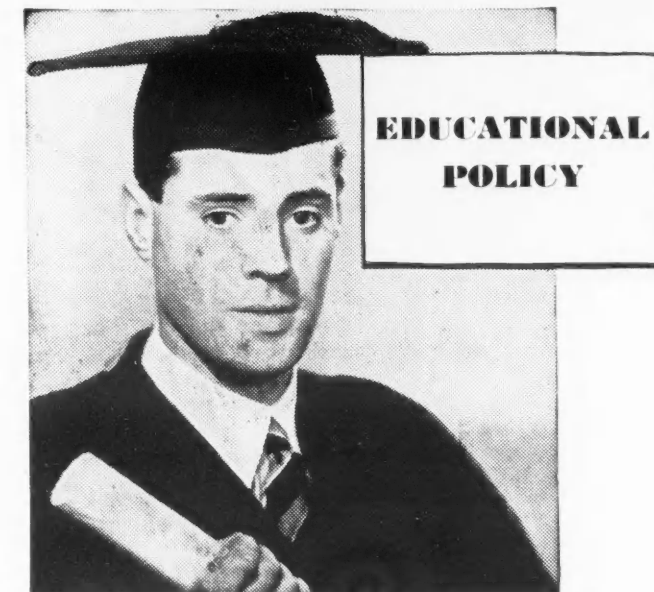
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# THE SOUTH SEA BUBBLE

The Story of A Great Crisis and Depression, 216 Years Ago, Which Was Followed by Recovery

(From a review by The Bank of Nova Scotia)

IT IS a far cry, indeed, to the early years of the eighteenth century. Canada was then, on the map of the world, but a narrow strip along the St. Lawrence, and a few dots upon the Atlantic sea-board; a colony of France, and a pawn in the wars which were engrossing the nations of Europe.

England was in the midst of the long struggle with France. The then current phase of the conflict—the War of the Spanish Succession which lasted from 1702 to 1713—was long, exhausting, and very costly, not only for England, but for Holland, her chief ally, and for France and Spain, her antagonists. Commercial and colonial rivalry had been largely responsible for intermittent warfare since the time of Elizabeth. The results were, as everyone knows, that British power overseas was enlarged, first at the expense of Spain and Holland, and finally at the expense of France. Britain was becoming the sea power, and her merchants brought back to their homes not only new commodities, but new ideas and new standards. The "commercial revolution," with its long sequence of economic and social changes, was moving rapidly forward.

The widening field of international trade, and new opportunities for making fortunes, "were transforming the daily life and thoughts of millions of Englishmen. Hence the blending of a timorous hereditage with a new environment produced a new type of individual. In the new freedom which accompanied expanding trade relations, one sees a chaotic state which seems to parallel closely the modern age." There was an influx and diversification of wealth previously unknown. By the beginning of the seventeenth century the British traders were becoming city merchants, wielding an undoubtedly great and increasing power in the House of Commons. The new banker was "emerging from the goldsmith's vestments" and figure was evolving into a separate business, although not yet distinct from trade and commerce.

And what of the average Englishman? Though he knew little of the intricacies of business and trade, these pursuits were obvious to him. He would see at the wharves sailing vessels unloading strange wares and stuffs, the products of lands overseas. He gazed at them displayed in shop windows, though many were at prices beyond his purse. He gazed at the wealthy merchants driving through the streets in their luxurious carriages, and he envied the aristocratic sons of families whose income was derived from early investments in the stock of the East India Company.

It is not wonder that a growing taste for speculation arose in the nation, and that fortunes, that swathed in clouds, seemed transformed into a high-post pointing over forward and upward along Exchange Alley. Daniel Defoe, pamphleteer and keen commentator on the age, wrote in his Essay on Projects: "Necessity, which is allowed to be the mother of invention, has so violently agitated the wits of men at this time, that it seems not at all improper to call it the Projecting Age. If industry be in any business rewarded with success, it is in the merchandising part of the world. All foreign negroes, though to some it is a plain road by the help of custom, yet it is in its beginning all project, contrivance, and invention. This, and travel, make a true-bred merchant the most intelligent in the world, and to this sort of man it is easy to trace the original of banks, stockjobbing, assurances, friendly societies, and the like."

THE protracted war between England and France resulted in a very serious state of the national finances of both countries. By 1710 the situation in England became critical. Where could the Government turn for the necessary funds?

It was finally decided to employ a method not previously unknown to Treasury financiers. The owners of certain existing Government loans were to be incorporated into a company, this company to be given the monopoly of the South Sea trade. In other words,

the anticipation of profits from trade was the bait held out to induce the holders of Government obligations to convert their holdings into stock, and accept a lower return. A charter of incorporation was signed on September 8th, 1711, and the "Governor and Company of the merchants of Great Britain, trading to the South Seas and other parts of America, and for the encouragement of the fishing" became a legal entity.

Europe was delivered from war in 1713 by the Treaty of Utrecht with France, and the Assiento Treaty with Spain. From Spain she obtained the concessions of the right to send, once a year, a trading ship to the South Seas, and the exclusive privilege of carrying in British bottoms slaves to work the mines and till the soil of Spanish colonies. This was but a weak frame-work on which to build the trade with South America, which was currently described as the "inexhaustible Fountain of Treasure," nor did the South Sea Company eagerly embrace its opportunities. Two ships were, indeed, finally sent out to trade, but Spain interpreted very liberally (to herself) the terms of the treaty, and they brought back little in their holds. In 1718 war again broke out between England and Spain.

Despite these bearish developments, events, both in England and abroad, were tending to a *déménagement* of great importance to the South Sea Company, to Britain, and to Europe. The domestic factor was this: it was highly desirable that the remaining national debt, most of which had been contracted under the pressure of war, at very high rates of interest, should be converted to lower rates. The advocates of conversion had not far to look for a



J. R. BECK, Canada Steamship Lines general agent, passenger department, with headquarters at Toronto. Mr. Beck has been connected with Canada Steamship Lines for the past twenty-eight years.

manuscript, for they had before them the examples of John Law and his Mississippi Company in France.

The French finances at this time were also in an involved condition, for the wars had proven an even greater burden on that despot-ridden country than on England. John Law, Scotsman and cosmopolite, had, in 1716, taken the initial step in rescuing the currency of France from chaos by founding a bank. Later he combined all the French foreign trading companies into one great trust which was authorized, in August, 1719, to convert all Government obligations into its stock. Finally, when Law's bank was amalgamated with it, this colossus controlled the monetary organization and the whole foreign trade policy of the country.

The success of the conversion in France was immediate. The stock of the Mississippi Company rose rapidly in price during 1719 and the early part of 1720. National debt charges were being reduced. Prosperity, with its attendant problems, spread over France. People of all sorts speculated in the stock, and the "highest and lowest classes," says MacKay, in the quaint *Memoirs of Extraordinary Popular Delusions*, "were filled with visions of boundless wealth." The Rue de Quincampoix, where Law lived, became the meeting place of brokers and their clients, "and it being a narrow inconvenient street, accidents continually occurred

from the pressure of the crowd."

Fortunes were made with great rapidity; luxury and ostentation were everywhere apparent. Law's bank made heavy issues of inconvertible paper money, and the currency in circulation kept pace with the rising stock prices. A rapid inflation of commodity prices followed, and £200 is said to have been given for one (not over-fat) chicken. Paris was crowded with foreigners who had hurried thither to invest in the stock, (it must be remembered that cable transactions were not possible in those days). Lodgings were "scarce to be had for money."

By November of 1719 the success of Law's scheme was known throughout the civilized world, and the time had come for conversion of the British National Debt. In that month Sir John Brunt, a leading director of the South Sea Company, proposed the conversion of both the irredeemable, or annuity debt, and the redeemable debt, which included the loans of the Bank of England and the East India Company. The final arrangements, however, as discussed between South Sea and Treasury officials behind closed doors, exempted the loans of these great companies from the scheme. Even so, the amount involved was over £30,000,000. (It is not necessary to enumerate here the statistics of the operation, nor to dwell on the complications of public finance in this period. These matters have been competently treated in easily accessible works.)

When it began to leak out that the South Sea Company was negotiating with Parliament, the public began to take interest in South Sea stock. Rumors and alarms circulated freely, and every whisper had effect upon the market. Finally, in January, 1720, the Company's proposal was presented to Parliament, and Aislabie, Chancellor of the Exchequer, urged its acceptance. James Cragg, Secretary of State for the Southern Department, offered his felicitations to the nation on the "prospect of getting out of debt so much sooner than had been expected"; the matter was in a fair way to be rushed through. Brodric, M.P., for Stockbridge and friend of the Bank of England, interposed, stating that the Bank should be allowed to submit conversion proposals; whereupon, according to Sir Robert Walpole, "our great men looked thunder-struck, and one turned as pale as my cravat." The Bank came forward with an offer which was promptly capped by the South Sea Company with a proposal still more favorable to the State, which was finally accepted. The Bill was given Royal assent, on April 6.

As soon as Parliament gave preference to the South Sea Company over the Bank, and the Bill began its journey towards enactment, South Sea stock began its tremendous rise. During February, its price fluctuated between 129 and 184, and in March from 172 to 389—a rise of over 200% in two months. Prices, rumors and tips became the chief topics of conversation. On April 19, Erasmus Lewis wrote to Lord Oxford, "I have heard but one sound these three months, namely South Sea, which has got the better of men's politics and ladies' fashions."

THERE were good reasons, evident to clever investors, for the advance in the price of the stock. The obvious reason was this: the ratio at which the public debt was to be converted into stock was not fixed. As the price of the shares rose, the Company could offer less stock in exchange, and profit accordingly.

In addition, there were the alluring prospects of gains from the South Sea trade, which were beginning to look very great in the excited eyes of the investor. Rumors were industriously circulated that Britain and Spain were about to conclude a new treaty by which England would have free trade with the Spanish colonies; that Spain would exchange Gibraltar for ports in Peru; in fact, many a wild tale, originally traceable to the directors of the company, lost nothing in its progress through Exchange Alley. "The rich produce of the mines of Pot-



J. W. O'NEILL, for the past twelve years Chief Engineer of the Trane Company of Canada, Limited, who has now been appointed to the Board of Directors of that company in the capacity of Director in Charge of Engineering and Production.

osi-la-Paz was to be brought to England till silver should be almost as plentiful as iron. For cotton and woollen goods with which we could supply them, the dwellers in Mexico were to empty their gold mines. The Company trading to the South Seas would be the richest the world ever saw, and every hundred pounds invested would produce hundreds of pounds per annum for the stockholder," writes MacKay.

A contemporary wrote in his journal, "If ever there was a nation twenty-three years ruining itself and like to recover in a moment, this is the time."

Though Walpole warned, in his pamphlet "The South Sea Scheme Considered," and though many concurred with him, the public was not to be deterred from speculation. On April 15th, the Company offered £2,000,000 of new stock, and a huge crowd gathered at the doors of its office. It was decided to pay, at Midsummer, a 10% dividend in stock. By May 25th stock was quoted at 500.

Now began the real "spectacle of Exchange Alley." Edward Harley, brother of the Earl of Oxford, wrote from London in June, "The demon of stock-jobbing is the genius of this place. This fills all hearts, tongues and thoughts. No one is satisfied with even exorbitant gains, but everyone thirsts for more." James Windham, whose letters are preserved by the Historical Manuscript Commission, naively wrote to his brother: "I grow rich so fast that I like stock-jobbing above all things," and Mrs. Windham says: "South Sea is all the talk; the ladies sell their jewels to buy and happy are they that they are in."

The breaking point came in Paris late in May, when Law's bank was forced to suspend cash payments. Mississippi stock fell from 1800 to 400. Astute foreigners had for some time been quietly converting their gains into specie and carrying it, sometimes in farmers' wagons covered with hay, into Belgium and thence to Holland and England. Law himself had finally to flee the country, like the coin which he had actually made illegal tender in France.

News of the French disaster hardly perturbed the general optimism in England. An immense number of smaller companies rose up to reap the benefits of the general disposition to speculate. These companies were known as "bubbles," and the newspapers were "swelled enormously" by their advertisements. It is not surprising to find amongst the promotions several for the manufacture of paper. Many of the companies were sound schemes, others pure swindles. Among the successful promotions were the Royal Exchange and the London Assurance Company, which still exist, and others bear the marks of foresight and sanity. It is interesting to note a "Company for working a newly invented water engine," a "Company for paving the streets of London and Westminster," a "Company for making iron and steel in Great Britain," a "Company for the cotton manufacture in Lancashire," a "Company to prepare medicines at reasonable rates, and the poor shall have the constant advice of able physicians," and numerous public utility companies for the supply of water to various cities.

Companies, good and bad, were ridiculously over-capitalized. A "Company for furnishing funerals in any part of Great Britain," wanted (and obtained) £1,200,000; and its corollary, a "Company for the better making of crapes," was capitalized at £4,000,000. A "Company for extracting

(Continued on next page)

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Gentlemen: Please send me 3-color map of the Porcupine District and full information concerning Mineral Estates Limited.

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FRANK DOWSETT  
Advertising Manager  
Gutta Percha and Rubber Ltd.



"Our best barometer of the farm market is the sale of our farm tractor tires, a new product developed three years ago and sold only to farmers. The sale of this tire has shown a definite increase since the first of the year, particularly so in Eastern Canada. We are, therefore, increasing our advertising expenditure in farm magazines, not only on this line but other tires as well."

C. S. WATSON  
Advertising Manager  
Gutta Percha and Rubber Ltd.  
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Trade Sales Manager  
Firestone Tire & Rubber Co.  
of Canada Limited



"We are optimistic about the Eastern Canadian farm market for the increased sale of batteries this year and the fact that we have increased our advertising schedule in THE FARMER MAGAZINE is proof of that optimism."

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Vice President and Gen. Manager  
Willard Storage Battery Co.  
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# BRITAIN'S EXCHANGE CONTROL

## Efficient Operation of Exchange Equalization Account Has Facilitated Flow of International Trade

BY GILBERT C. LAYTON

Saturday Night's Financial Correspondent in London

THE British Exchange Equalization Account, or "Control", as it is sometimes called, is an institution of which the man in the street has heard only vaguely. But the activities of the Account and their results are of precisely the same importance to him as those of the other public functions whose operations are directed towards improving the public's well-being. At present the significance of the Account's operations is bound up with the French franc. The devaluation question is, of course, a matter of big moment, not only to France, but to the world at large.

The "Control" has now been in existence for more than four years. It was set up in April, 1932—some seven months after the pound left the gold standard—for the purpose of maintaining the external value of the currency more or less on an even keel. Fluctuations were to be evened out, while sterling was to be allowed to find its own base value.

To achieve this, the Account was first granted £150,000,000, an amount which subsequently proved inadequate and was augmented to £300,000,000. The "Control", however, was conceived and interpreted in the financial sphere as an essentially temporary measure. Its existence was to come to an end as soon as the world's currencies were stabilized—a development which was then not considered remote. The steady growth of economic nationalism, however, has been inimical to currency stabilization, and gradually the "Control" has become recognized as an integral part of financial operations, one regarding whose end no prediction is possible.

The immediate question is, how will the technique of the Account's operations be affected by the devaluation of the franc? When the "Control" has desired to prevent a depreciation of the franc against sterling, its normal mode of procedure has been to buy francs in the foreign exchange market, earmarking gold at the Bank of France against the currency purchased. But once the franc is devalued, this method will no longer prove effective, for there will then be no question of the Account's earmarking gold. The American Federal Reserve banks have been prohibited from entering into such transactions with non-gold-standard countries. Operation through the exchange is, of course, possible without "earmarking", but there is considerably more risk involved.

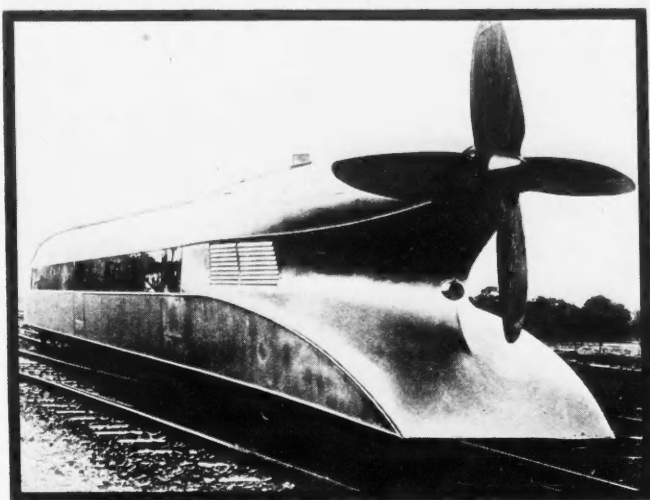
THE only alternative sphere of operations is the London bullion market.

This will be no new experience for the authorities who, for purposes of secrecy, have previously had recourse to the bullion market. But the "Control" may find itself up against an obstacle not existing in its former field of operations. Whereas in the foreign-exchange market it could buy foreign currencies up to any amount it required, the amount of bullion that it will be able to acquire will be limited. It may not infrequently happen, therefore, that the amount of gold available for the Account's use, even if it were to buy up all available supplies, will be inadequate for its purposes. In these circumstances, it may very well be forced to raise its buying price of gold, so as to attract more of the yellow metal on to the market. To the extent that the price of gold is raised, the value of sterling will depreciate, and there may be a tendency for funds to flow to London, reaping a profit on the cheapening of the cost of buying sterling. In this manner the activities of the "Control" may give rise to speculation in the exchanges, thus setting into motion those forces which it is its object to restrain.

In its career, the Account, however, has accomplished much more than merely checking speculation in the exchanges. Generally speaking, this has been wholly incidental to its main task of transforming short-term fluctuations in the exchanges into trends. In this business, of extreme importance to trade and finance alike, the Account has proved itself highly efficient. By evening-out fluctuations in the exchanges, it has facilitated the flow of international trade, for there is no greater deterrent to trade between nations than the uncertainty caused by fluctuating currencies—which some consider to be

even more serious than overvaluation. In short, the "Control" has achieved a *de facto* stabilization, though a stabilization necessarily less "trustworthy" than the *de jure* stabilization which would have been achieved by an international

gold standard. By so doing it has contributed its share to the prosperity of the trading nations of the world, and particularly of Great Britain, whose welfare is so materially dependent on the free exchange of goods.



GERMANY'S NEW WONDER ENGINE. A new picture of the famous "Zeppelin Railway" engine, which is now being tested in Germany. The propeller is reported to substantially increase the speed.

## MINES

(Continued from page 19)

lating at a rapid rate. The outlook for an important mill addition during the next year is bright.

J. M. Consolidated has completed sinking to 625 ft. in depth. The new mill of 100 tons daily is expected to be tuned up within the next 30 days.

The operations of the United States Treasury in silver as well as gold has aroused widespread expectations of further revolutionary developments in respect to American currency. The shares in leading gold producing mines have undergone quiet and persistent demand, and are carrying quotations on the stock exchanges to unprecedented levels.

Trading gold credits in Washington for silver from China is among the latest moves to arouse marked conjecture.

Falconbridge Nickel has built up the greatest treasury surplus in the history of the company. The additions to smelter, refinery, etc., are making good progress and will be completed late this year. From that date forward, further increases in dividends are reasonable to expect.

Packsack Mines, a promising new gold property in Central Manitoba, is down 35 ft. with its shaft and is completing the delivery of mining machinery with which to speed up the work.

Opemiska Copper Mines to the West of Chibougamau requires only adequate transportation and smelting facilities in order to assure a profitable enterprise.

Beattie Gold, already having achieved marked success, is believed to be in line for greater profit at such time as local smelting facilities may be developed. The outlook at present is that these smelting facilities may be established near the Beattie and that the objective will be to possibly deal ultimately with ores or concentrates from the Opemiska Copper mines.

Buffalo Ankerite is increasing output steadily. The outlook at the middle of May was that output from the No. 1 mill for the month of May would be over \$100,000 and with an additional \$35,000 from the No. 2 plant.

Pickle Crow, with over \$10,000,000 in ore already developed, and opening out new ore at a rapid rate, is aiming for production of 12,000 tons per month in less than a year. This would indicate output of \$4,250,000 a year on the grade of ore now in sight. On a basis of \$7 per ton the costs on 144,000 tons a year would amount to approximately \$1,000,000. With \$1.50 per ton added for taxes and contingencies, the total costs and con-

tingencies would be a little over \$1,200,000. This would suggest profits of \$3,000,000 a year.

Winoga Patricia is to have a second diamond drill placed in operation during the next week in order to expedite its diamond campaign of exploration.

Mineral Estates, Ltd., is carrying on financial arrangements in order to raise funds with which to conduct exploration on a large group of claims situated to the West of the Porcupine gold producing area. Properties owned or optioned contain about 13,500 acres extending through the townships of Godfrey, Mountjoy, Turnbull, Bristol and Carscallen.

Lapa Cadillac has about 30 men employed and is installing a mining plant. This company is controlled by Sudbury Contact. Diamond drill operations yielded results which encouraged the plan to go ahead with underground exploration. The first objective is to explore two levels underground.

Gateway Patricia is to commence diamond drilling within the next few days on its holdings adjacent to the Central Patricia mine.

## THE SOUTH SEA BUBBLE

(Continued from page 22)

minerals, £3,000,000; a "New manufacturing of butter formed in connection with the fishing and salt promotions to supply effectively the fish with sauce," £2,000,000. Shares were sold in a company "for an undertaking which shall in due time be revealed," and square bits of card, with the impression in sealing wax of the Globe Tavern, giving their possessors the right to subscribe to a company to be formed later, sold in their hey-day for £70. The list could be prolonged indefinitely, adding those for "A wheel for perpetual motion," "For importing asses to England," and "For breeding silk-worms in Chelsea Park."

THE chief interest lies, however, in the avidity with which people bought these shares, and in their rapid rise in price. At their highest, bubble shares sold at ten, a hundred, or even two hundred and fifty times their original par value. They were, of course, bought largely on margin. On some 6d was paid down, on some 1%, and on others as little as 1 shilling per £1000. We are told that "even smocks are deposited to help make the security for cash; jewels are pawned to raise more. To that extent are the people of this age arrived that they'll be nowhere eased of the burden of their case but in Exchange Alley. Twenty per cent. is parted with for a bare week's loan of one hundred pounds; and if fame be not a great calumniator, some persons have generously condescended to lay in limbo their St—rs and G—rs."

Numbers of contracts were made for "futures," and options were a common form of transaction. Though there was no ticker in those days, indeed, the confusion was so great that stocks were sometimes called at a 10% difference in price at one end of the Alley from the other, financial news services were not unknown. Sir Henry Furness, the Bank Director, "found it profitable to have a complete courier system of his own, and thereby receiving news of good or bad occurrences, he used his information to buy and sell." It is said that he never scrupled to invent reports contrary to his own knowledge of the truth.

The general public, too, displayed the tendency to slip away from business to see what the stocks were doing: "If your occasions be ever so urgent for a mercer, a tailor, a shoe-maker, etc., they are nowhere to be met with but at the exchange. If you resort to any public office or place of business, the whole enquiry is, How are the stocks? If you are at a coffee-house the only conversation turns to stocks; if you wait on a lady of quality you'll find her hastening to the House of Intelligence in Exchange Alley; sharpers leave their gaming tables for the more profitable business at Jonathan's coffee house; even poets commence to be stock-jobbers," says a commentator.

Luxury and profligacy followed the great gains made by numerous individuals. A newspaper stated, in July, that "200 new coaches and chariots had appeared in London, besides as many more in the coach-makers' yards; above 4,000 embroidered coats; about 3,000 gold watches." Gambling houses were crowded, and gangsters and racketeers prowled the streets.

The infection spread to Holland, some of whose people had made great profits from the boom in Paris (for they had been the first "realizers" there). During August and September the cautious Hollanders indulged in violent speculation in "wind companies." New commercial companies were the order of the day, but the shares of the Dutch East and West India Companies participated in the inflation. Stock-brokers, in this densely populated country, opened branch offices in the smaller cities, while in Amsterdam the whole Kalver Street was occupied by the exchange, and "the frightful din and tumult lasted far into the night."

Meanwhile the price of South Sea stock had continued to rise, and on June 2nd was over 800, having doubled in price during a fortnight! The Company was, at this time, secretly loaning money on its own stock and on partly paid subscriptions, and the market was being artificially supported in many ways. On June 15th the Company offered a second huge amount of new stock for public subscription, and the price rose to 1050 on June 24th; in July it varied from 990 to 940. The credit bubble was beginning to shake.

Oddly enough, the first shock to public confidence was the work of the Company itself. At the beginning of August the outstanding capital of all the bubble projects was estimated at £500,000,000, "or about five times the current cash of all Europe." Most of this, due to margin purchases, matured in the future, so there was a huge liability in addition to that on South Sea stock. The directors of the Company determined to crush these rival companies, by "having the law on them," for, legally, no company could be created without a Royal Charter. Accordingly, they obtained a writ of *scire facias* against a number of the projects whose shares were at the highest premiums. The shares of these companies fell rapidly beyond the margins on which they were carried, their holders were forced to sell other securities, including South Sea, the price of which fell off in consequence. Within two weeks South Sea had fallen from 900 to 755. The directors, to bolster the stock, declared a dividend of 50% annually for the next three years; but the public had begun to be afraid, and the Company could no longer find funds to support the market.

CONSTERNATION ruled on the Exchange at the suppression of the bubble companies. The London Journal says: "Because of the confusion and terror it struck among the brethren of iniquity, they called aloud The Day of Judgment." In September, Brodric wrote, "The consternation is indescribable, the rage beyond description. Thousands of families will be reduced to beggary."

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Goldsmiths and private bankers who had lent money on stocks began to fail, and brokers gathered together what they could of everyone's cash and fled the country.

By September 13th South Sea stock had fallen to 400, and by the end of the month it was at 180. The Sword Blade Association, cashiers for the South Sea Company stopped payment. On the 24th of September there was a run on the Bank of England, which resorted to the expedient of paying out large sums in shillings and sixpences to friends at the head of the line-up, who returned the money at the back door. By this means time was gained for money men to rally to the aid of the Bank. This event prevented the Bank from coming to the aid of the South Sea Company, for which arrangements had already been made.

Public feeling against the directors was fanned by caricatures and satirical verse in the newspapers, and by November it was so strong that, if ladies were playing cards, they cried, "There's a director for you!" when they turned up a knave. No one blamed the investors for their credulity, but all subscribed to the theory that "the poor unwary People have been delivered into the polluted Jaws of Vultures and Tygers." Parliament, despite its guilty members, needed little urging to seek out and punish malefactors, and in January of 1721 a parliamentary enquiry by a "Committee of Secrecy" was ordered.

England faced a dreary winter. William Windham wrote to his brother, "There never was such distraction and undoing in any country. You can't suppose the number of families undone. One may say almost everyone is ruined who traded beyond their stock." A lady writes to her sister-in-law, "We hope that you will come to Bath, for upon the fall of South Sea the place empties so fast you may have your choice of lodgings at the Winter price." James Windham, who had "liked stock-jobbing above all things," was irretrievably ruined. Of the plight of the many humble speculators who had pawned their smocks to buy penny stocks, it is impossible to learn.

Other countries also felt the reverberations of the crash. A German medal, struck in the year 1720, represents, on one side, the momentary prosperity, and on the reverse, the catastrophe: suicide by hanging and drowning, hasty flight, and despair.

While the parliamentary enquiry was revealing such scandals as £1,259,325 in bribes which had been distributed amongst Government officials, members of Parliament and favorites of the King, the country was faced with the problem of retrieving the credit of the South Sea Company. This was, indeed, synonymous with the national credit. Walpole, who had, incidentally, reaped a large fortune through astute speculation, undertook the task; it was, his biographer says, "the final and longest step on the ladder which made him the greatest figure in the political history of his time."

The details of his measures need not be recounted, for they are available in every history of the period. Suffice it to say that hardship, in the end, fell primarily upon the holders of Government obligations, who suffered a severe reduction of income. On the other hand, this lowering of interest rates benefited the State. The National Debt was undiminished, but its charges were reduced. The French Government received a similar advantage from the crisis in the affairs of the Mississippi Company. Against these gains must be set the long-continued effect of the world crisis on the capital markets, on trade and commerce, and on public morale.

The social and political results of the South Sea Bubble were such as might have been expected. One Minister of the Crown committed suicide, the Chancellor of the Exchequer and other members of the House were expelled from Parliament, and committed to the Tower. The Prime Minister was forced to resign. The most guilty of the directors joined the Chancellor in the Tower, and their estates were confiscated. The newspapers exhorted that "we turn our thoughts from Stock-jobbing to Industry and frugal Methods of Life." The nations of Europe painfully recovered their equilibrium, though it was some years before the confidence of investors, so severely shaken by this débâcle, became strong enough to supply adequately the growing capital needs of commerce.





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# NATIONALIZATION OF BANKING

Advocacy is Political—Banking, to Render Efficient Service, Must Be Free From Political Considerations

(From the Bulletin of the Associated Banks of New Zealand)

IT has always been observed that periods of prolonged depression have the effect of concentrating critical public attention on economic institutions, and notably on the mechanism of currency and banking, which at ordinary times is taken for granted, and, because of its technical nature, is not closely understood by the general public. Notwithstanding that the balance of authoritative opinion considers that the present depression has in the main been caused by fundamental factors mainly of a non-monetary character, there is a tendency to hold that the difficulties of the time can be adjusted by some manipulation of our banking and credit system, a view which overlooks the fact that our troubles are initiated from abroad, mainly by the fall in world prices. The depression undoubtedly has led to a widespread, if uncritical, tendency to blame the banks for economic difficulties which the banks have done nothing to cause, but are doing all in their power to cope with; and the prevalent sentiment in favor of nationalization of commercial banking in some quarters

is in the main attributable to this cause.

It is important not to confuse this issue with the general problem of Socialism as contrasted with a system of private property and free enterprise, subject to social control such as prevails in New Zealand today. It is of course admitted that in a Socialist State the banking business would be socialized along with all other types of business. This, however, is not the point at issue. The question is whether in a country whose institutions are based on private enterprise, the business of commercial banking should be left to operate as it does at the present time, or be made a function of State and run under a State Department on the lines of other economic functions that have been assumed by the public authorities.

Advocacy of this course, it is important to notice, does not come from the business classes of the community who make most use of the facilities provided by the banking system, and for whose service commercial banking mainly exists. It usually springs from politically-minded persons, and the motives behind it are political and not business motives. Nationalization or State control of commercial banking, in other words, is desired as a rule, not by those who from practical experience appreciate the benefits of the banking system, with a view to improving the service, but rather by those who see in control of the banking system a convenient and powerful tool for bringing about a larger measure of State control over economic life in general. They do not say: "We want State control of banking in order to improve the banking service or to protect the people from monopoly," but rather: "We want State control of banking to employ it to bring about State control in general." This attempt to project political objectives into a service that should remain quite clear of political considerations, if it is to function with efficiency, is the most fatal objection to nationalization of the banks, instead of being a factor in its favor.

A PART from this dominant political objective, and the usual considerations that are adduced in favor of State assumption of economic activities, there is a special line of argument relating to State control of the banking service, which recent developments have deprived of all weight. It has been contended that in present conditions, now that standard metallic money has ceased to circulate, the standard money of the country is the bank note. As it is the prerogative and function of the State to determine the volume of money and the conditions of its issue, this should not be delegated to the commercial banks, which, since they are traders in money and credit, have a pecuniary interest in the matter. There is force in this contention, but it has no application to New Zealand commercial banking at all, the point having been met by the establishment of the Reserve Bank of New Zealand, which is the sole note-issuing authority in the country, and is in effective control of the basic money and credit conditions of the Dominion. As the issue of notes and control of the credit basis are now in the hands of a central institution over which the Government has effective power, this argument for nationalization has no relevancy to commercial banking in New Zealand at all.

The case for State control or operation of commercial banking must therefore rest on other grounds. To establish it, it must be shown that sound reasons exist, based on the public interest, for such a transfer and in a society based on free enterprise the burden of proof must rest in the first instance on those who advocate a widening of the economic functions of the State. It must be shown that the present system is inefficient, wasteful or costly, that it is oppressive to the people, and that transfer to the State will remedy these defects. It is impossible to establish any of these points, and indeed they can be definitely refuted.

It is contended that whatever controversy there may be on the banking question, no complaints have been made as to the technical

efficiency of the banking service which is admitted to be high even by advocates of nationalization. It is, however, suggested that the present system involves waste by duplication of service owing to the existence of competing branch banks. This line of thought, the elimination of duplication and wasteful competition, is invariably raised when a programme of nationalization is advocated in any direction, and it cannot be ignored. In the case of commercial banking in the Dominion, however, it is of trivial importance, since the amount of unnecessary duplication is small, much smaller than is represented by opponents of our present system, who usually speak without much knowledge of business psychology or business requirements.

EVEN if there were only one large trading bank in the Dominion, it would not be possible to close many existing branch banking offices without causing serious public inconvenience, and impairing the quality of the service now rendered to the business public. The mere fact that in the largest centres some of the banks find it necessary to have several branches shows that existing agencies are not more than sufficient to cope with the volume of business, while in almost all centres, large or small, public requirements demand several offices at least for convenience and ease of working. Even if banking were nationalized, the great majority of banking offices open today would require to be kept open, if serious inconvenience to the public were to be avoided.

Even if there were some unnecessary duplication, this is much more than compensated for by the added efficiency and higher quality of service that spring from the active competition for business existing among the banks today. Within the limits of professional ethics, and the canons of sound and prudent banking, the banks have always competed eagerly for customers, and never more so than today, when their investable funds are large and credit-worthy borrowers are relatively fewer in number. From this competition bank customers have reaped considerable benefit; and they have enjoyed the advantage of knowing that, if they could not enter into arrangements with one banker satisfactory to themselves, it has always been open to them to negotiate with another. If competition among the banks were eliminated by nationalization this spur to efficiency would be lost, bank customers would enjoy much less liberty of action than they possess today, and any saving by the elimination of a few insignificant branches would be a very inadequate compensation for such a loss. It is for reasons such as these that business sentiment is opposed to nationalization of the trading banks.

It is obvious that nationalization of banking cannot be advocated on the ground that it will protect the public from monopoly. There is no monopoly in the banking business today, but on the contrary incessant competition among six sound institutions to increase their business by competitive service to customers. Nationalization would not protect the public from an existing monopoly, because such does not exist; it would eliminate existing competition and impose a monopoly where none existed before, and that monopoly would be hard to deal with, because it would have, in addition to its economic power, the backing of the State, which could hardly be invoked to protect the public against oppression by its own agency. Under a State monopoly of banking the public would be entirely in the hands of the bank, with no means of redress and no alternative service to turn to in case of oppression or dissatisfaction.

ANOTHER fatal objection to nationalized banking is its unavoidable political bias. Being a Department of State, it would be subject to political influence and control; and while that does not necessarily entail personal corruption, it means that it would certainly be employed directly or indirectly to give assistance to projects, policies and persons in favor with the government of the day, and to refrain from assistance to opponents of the dominant political party. This tendency could hardly be avoided under a system of democratic party government swayed primarily by

electoral considerations; and it would speedily undermine confidence in the bank, alarm depositors, cause withdrawal of funds, and impair or even paralyze the economic utility of the bank. If political influence or party considerations took the place of credit worthiness of soundness of investment policy, bank deposits would not be safe, as they are now, nor could the bank long remain solvent if this policy were persisted in. It is of course possible that no such influences would be exerted, but with politics as they are today, and in the light of past experience with financial functions taken over by the State, it is impossible to resist the inference that political considerations, to a greater or less extent, would influence the policy of the nationalized bank.

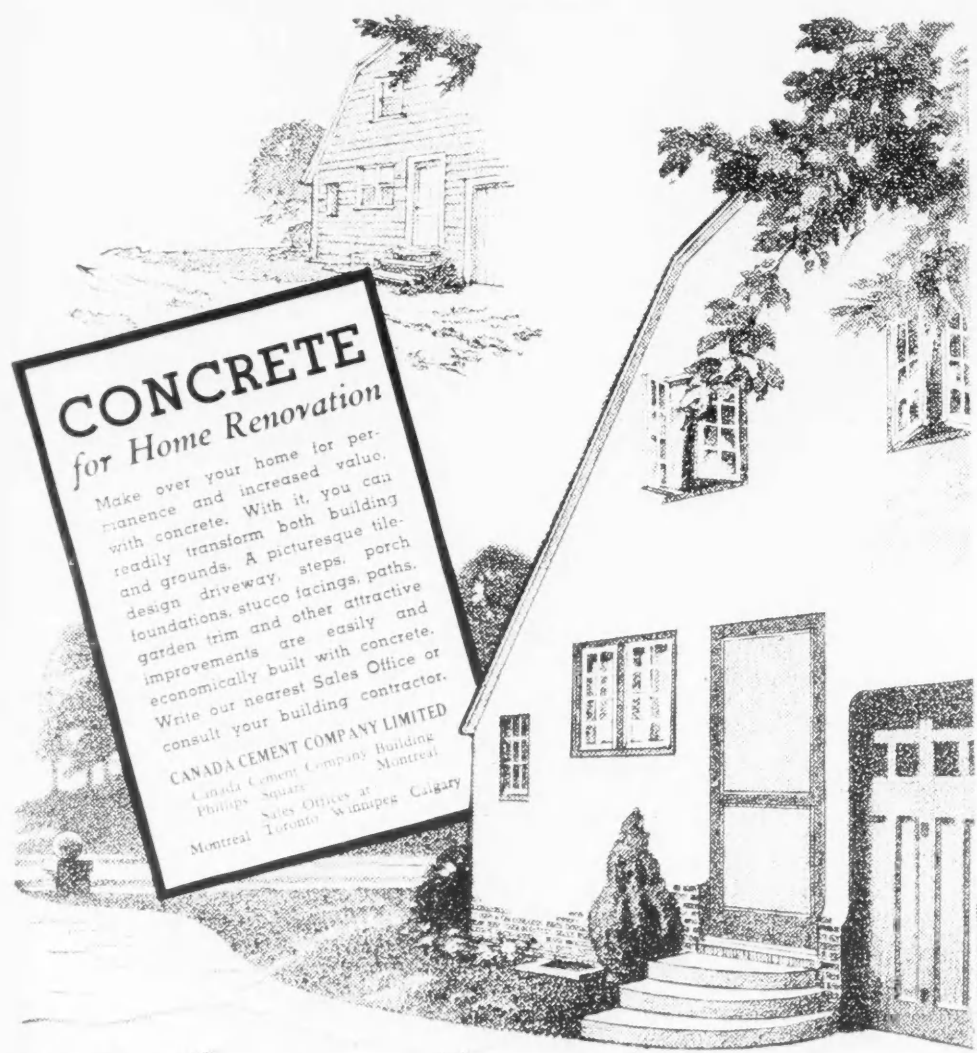
The primary loyalty of a banker today is towards his depositors, and his motives are economic and financial to the exclusion of political or other irrelevant considerations. He would not be allowed to retain this attitude under a nationalized system, especially as the open objective of most advocates of nationalization is the employment of the banking function for the attainment of other social objectives, such as the redistribution of wealth or the inauguration of general Socialism. Under nationalization, the banker would invariably take on the mentality of the head of a Government Department, and that mentality is of necessity political rather than economic. At the present time the banker has no dual loyalty, and is not distracted by basic duties that might draw him in different directions. Under nationalization he would have to consider not only the interests of depositors and the soundness and security of his advances, but the policy of the Government of the day, which he would be bound to carry out, and which might easily run counter to his economic obligations as a banker.

This would make sound commercial banking impossible, impair the safety of the banking business, and undermine the confidence of depositors. It would also have the further fatal effect of destroying or seriously undermining the relationship of confidence and trust that subsists under the present system between the banker and his customer. Not many business men would care to enter into their present confidential relations with, or make their present intimate disclosures to, a public official who might be under obligation to disclose such matters to other departments. It is not possible to reconcile the duties of a commercial banker with the duties of a transferable civil servant. It is conceivable that a political banker would prove popular when pursuing a policy of credit expansion, but when sound control dictated a restriction of credit this duty might prove impossible to carry out in the face of an outcry calculated to embarrass the political authorities, and the banker could not, if he were a civil servant subject to political instructions, prevent the use of the banking system for electoral or political purposes, either in general or as regards specific individuals or organizations, if the political authorities were determined to employ it for that end.

Banking is founded on credit, and credit on confidence, which is very liable to dissolve under the corrosive effect of political expediency. "Honesty," says Lord Bradbury, "is a better foundation for credit than the most adroit finesse." It is not here suggested that politics are dishonest, but they certainly are characterized by finesse, more or less adroit, and this would be an atmosphere in which sound commercial banking would be stifled. Political machinery is guided by sectional pressure, comparative voting strength, and temporary expediency, rather than by technical competency or long view of social and economic welfare. It is fundamentally unfitted to control so delicate a mechanism as commercial banking without a serious diminution in efficiency of service, and a derogation from sound commercial standards that might bring banking to a standstill by destroying public confidence in its integrity.

## CANADIAN CANNED FOODS

THE market for canned foods in Canada has recently averaged a little over two dollars per annum per head of the population. The largest contribution is made by canned vegetables; with soups and concentrated milk products, about equal, following. The market is supplied preponderantly by the home industry, but about ten per cent. of the estimated consumption is imported. The Canadian industry does an export trade a little more than equal to half of the estimated consumption.



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\*In this country the Bank of Canada has been established with similar powers. Editor.